



Daily Report

China

FBIS-CHI-93-006
Monday
11 January 1993

Daily Report

China

FBIS-CHI-93-006

CONTENTS

11 January 1993

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Situation in Southern Iraq 'Increasingly Tense' [XINHUA]	1
'Collision Course' Over No-Fly Zone [XINHUA]	1
U.S. Actions Viewed [Hong Kong TA KUNG PAO 8 Jan]	2
Pentagon on Iraqi Missile Removal [XINHUA]	2
White House 'Unclear' on Compliance [XINHUA]	3
Editorial Analyzes U.S. Actions in Somalia [Hong Kong WEN WEI PO 11 Jan]	3

United States & Canada

Li Peng Meeting With U.S. Senators Discussed [Hong Kong TA KUNG PAO 9 Jan]	4
Daily Examines U.S. Foreign Policy in 1992 [RENMIN RIBAO 25 Dec]	5
Bush Visits CIA, Urges Expanded Intelligence Role [XINHUA]	6

Central Eurasia

Belarus Leader Shushkevich Continues Xiamen Visit [XINHUA]	7
Returns to Beijing [XINHUA]	7
Meets Yang Shangkun [Beijing TV]	7
Talks With Wan Li [XINHUA]	7
Views Ties With Jiang Zemin [XINHUA]	8

Near East & South Asia

Qian Qichen Holds Talks With Omani Counterpart [XINHUA]	8
Concludes Trip, Departs for Africa [XINHUA]	9

NATIONAL AFFAIRS

Political & Social

Daughter Says Deng Xiaoping in 'Very Good Health' [Hong Kong WEN WEI PO 9 Jan]	10
Spokesman Confirms Yang Shangkun's Hospitalization [Tokyo KYODO]	10
'Unwell' Since Late December [Hong Kong SOUTH CHINA MORNING POST 11 Jan]	10
Deng Liqun Historical Society Gets Ministry Rank [Hong Kong SOUTH CHINA MORNING POST 11 Jan]	10
Sources: Jiang May Move Chen Yuan From Bank Post [Hong Kong THE STANDARD 9 Jan]	11
Jiang Zemin Elected Deputy to Eighth NPC [XINHUA]	12
Li Peng Visits Computer Company in Zhuhai [XINHUA]	12
Hu Jintao Addresses National Youth Work Meeting [XINHUA]	12
'Conservative Line' Stressed [Hong Kong SOUTH CHINA MORNING POST 11 Jan]	13
Ren Jianxin Says Courts Should Protect Reformists [ZHONGGUO XINWEN SHE]	13
Law Firms Reportedly Told Not To Represent Dissidents [Hong Kong HUA CHIAO JIH PAO 10 Jan]	14
Circular Urges Stepped-Up Checking of ID Cards [XINHUA]	14
Wang Ruisheng Article on Nature of Socialism [RENMIN RIBAO 18 Dec]	15

Science & Technology

Song Jian Names Top Scientific Researchers [XINHUA]	16
Attends Achievement Awards Ceremony [XINHUA]	17
Wen Jiabao Stresses Scientific Research [XINHUA]	17
Li Peng, Zhu Rongji, Others Mourn Scientist's Death [XINHUA]	18
Commission Focuses on Exploring Technology Market [Hong Kong CHING CHI TAO PAO 1 Jan]	18
Scientist Succeeds in Ion Collision Research [XINHUA]	19
Genetic Engineering Used To Develop New Vaccine [XINHUA]	19
Science, Technology Association Starts Publication [XINHUA]	19

Military

Yanan Rally Marks Double Support Anniversary [XINHUA]	19
Chen Junsheng Addresses Gathering [XINHUA]	20
Liu Huaqing Speaks [XINHUA]	21
Chen Xitong, Deng Lihou at Beijing Rally [XINHUA]	22
Beijing Said To Build Three Large Naval Bases [Tokyo KYODO]	22
PLA Diversifies Airborne Troops' Training [XINHUA]	23
Motorized Troops Stage Winter Military Maneuvers [XINHUA]	23
National Defense University Aids Beijing District [Beijing TV]	24
Military Thanks Commerce Departments for Supplies [XINHUA]	24
Ordnance Corporation Set Up in Chongqing [XINHUA]	24

Economic & Agricultural

Beijing Facing Local 'Defiance' in Cooling Economy [Hong Kong SOUTH CHINA MORNING POST 9 Jan]	25
Official Predicts Trade To Grow Faster Than GNP [CHINA DAILY (BUSINESS WEEKLY) 10 Jan]	25
MOFERT Issues Policies for Foreign Investors [ZHONGGUO TONGXUN SHE]	26
MOFERT Announces Measures for Increasing Imports [Hong Kong CHING CHI TAO PAO 21 Dec]	26
'Sharp Rise' in Imports, Exports for Foreign-Invested Firms [CHINA DAILY 9 Jan]	27
Customs Duties Collection Up 13.76 Percent [CHINA DAILY 9 Jan]	27
Development Zone Firms To Enjoy Favorable Terms [Hong Kong CHING CHI TAO PAO 21 Dec]	27
Bank of China To Adopt Market-Oriented Interest Rates [CHINA DAILY (BUSINESS WEEKLY) 10 Jan]	27
Bank Official on Steady Development of Economy [XINHUA]	28
State To Regulate Market in Capacity of Big Buyer [Hong Kong CHING CHI TAO PAO 1 Jan] ..	28
Authorities Formulate Price Reform Policy Outline [Hong Kong CHING CHI TAO PAO 21 Dec]	29
Credit Policy Said To Spur Industrial Output [CHINA DAILY (BUSINESS WEEKLY) 10 Jan] ...	29
Statistics Show Increase in Non-Rural Employment [CHINA DAILY (BUSINESS WEEKLY) 10 Jan]	30
Wang Bingqian on Checking, Registering State Assets [Beijing Radio]	30
Government Organizes New Oil Enterprise [XINHUA]	31
Ministry Changes Functions To Help Light Industry [XINHUA]	31
Yu Guangyuan Stresses 'Modern Market Economic Culture' [JINGJI RIBAO 12 Dec]	32
Economist Urges Freer Urban, Rural Area Flow [CHINA DAILY 9 Jan]	33
Tian Jiyun on Relaxation of Grain Price Control [Hong Kong CHING CHI TAO PAO 1 Jan]	34
Agriculture Minister Outlines 1993 Reform Work [XINHUA]	34

Agriculture Ministry Seeking Foreign Investment [CHINA DAILY (BUSINESS WEEKLY) 10 Jan]	34
Heavy Tax Burden on Farmers Viewed [JINGJI RIBAO 29 Dec]	35
Village, Town Enterprises Develop Quickly in 1992 [XINHUA]	37
Jiang Zemin, Li Peng Inscribe Shanghai Pudong Bank [XINHUA]	37
Zhu Rongji Congratulates Datong Railway Subbureau [XINHUA]	37
Tian Jiyun Attends Contract Signing Ceremony [XINHUA]	38
Management Publication Becomes Daily on 1 Jan [XINHUA]	38

REGIONAL AFFAIRS

East Region

Overseas-Invested Enterprises Develop in Anhui [XINHUA]	39
Sixth Session of Jiangsu People's Congress Opens [Nanjing Radio]	39
Jiang Chunyun Attends Shandong People's Congress [Jinan Radio]	40
Present at Session Closing [Jinan Radio]	40
Shandong Reaps 'Bumper' Animal Husbandry Harvest [Jinan Radio]	40
Shanghai Industry Records 'Rapid' Development [XINHUA]	40
Shanghai Customs Sets Import, Export Records [XINHUA]	41
Shanghai's First Stock Paging Switchboard Opens [XINHUA]	41

Central-South Region

Commentary on Journalism by Guangdong's Xie Fei [ZHONGGUO JIZHE 15 Oct]	41
Guangdong's Major Economic Indicators Rise in 1992 [XINHUA]	43
Guangdong Economist Says Economy Needs 'Tuning' [NANFANG RIBAO 4 Jan]	43
Henan's Li Changchun on Agriculture, Enterprises [Zhengzhou Radio]	44

Southwest Region

Chen Kuiyuan Speech to Tibet Party Plenum [Lhasa TV]	44
Tibet Promotes Export-Oriented Economy [XINHUA]	46
Yunnan Secretary, Governor Attend Conference [Kunming Radio]	46

Northeast Region

Heilongjiang's Sun Weiben Attends Work Meeting [Harbin Radio]	47
Jilin's He Zhukang Speaks at CPPCC Session [Changchun Radio]	48

Northwest Region

Qinghai's Yin Kesheng Addresses Planning Meeting [Xining Radio]	49
Shaanxi Secretary Attends Power Industry Event [Xian Radio]	50
Shaanxi Governor Outlines Economic Tasks for 1993 [Xian Radio]	50

TAIWAN

French Foreign Ministry Confirms Mirage Sale [CNA]	52
Premier Explains Purchases [CNA]	52
Foreign Minister Urges Improved Ties With Japan [CNA]	52
President Meets Japanese, Costa Rican Officials [CNA]	53
PRC To Repatriate Illegal Mainland Immigrants [CNA]	53
Officials Reject PRC Air, Shipping Links [CNA]	53
Russian Academician Praises Taipei Experience [CNA]	54
Urges Free Market for Russia [CNA]	54
British Parliamentarian Arrives 7 Jan [CNA]	54
Foreign Minister on Relations With Israel, Libya [Taipei Radio]	55
Chien To Meet RSA Ruling, Opposition Leaders [Taipei Radio]	55
Solomon Islands Leader Thanks Taipei for Support [CNA]	56

HONG KONG & MACAO

Hong Kong

PRC, UK Hold 'Secret Talks' on Hong Kong [Hong Kong LIEN HO PAO 8 Jan]	57
Spokesman Denies Report [ZHONGGUO XINWEN SHE]	57
Lu Ping Comments on Hong Kong Transition [Hong Kong WEN WEI PO 10 Jan]	57
Negotiations 'Still Open' [Hong Kong SOUTH CHINA SUNDAY MORNING POST 10 Jan]	58
Editorial on Patten's 'Lack of Good Faith' [Hong Kong TA KUNG PAO 9 Jan]	59

General

Situation in Southern Iraq 'Increasingly Tense'

OW0801140593 Beijing XINHUA Domestic Service in Chinese 1605 GMT 7 Jan 93

[By reporter Ye Xingzeng (0673 5281 1073)]

[Text] Beijing, 7 Jan (XINHUA)—Iraqi Deputy Prime Minister Tariq 'Aziz today rejected the ultimatum issued by the United States and its allies to Iraq, demanding that within 48 hours it remove its surface-to-air missiles from a "no-fly zone" in southern Iraq. The Iraqi News Agency quoted 'Aziz as saying, "Iraq has the right to deploy its air defense force within the country."

The ultimatum, jointly drafted by the United States, Britain, France and Russia, was delivered to the Iraqi ambassador to the United Nations. The ultimatum, which took effect upon delivery, ordered Iraq to remove its newly-deployed ground missiles from the edge of a "no-fly zone" in southern Iraq within 48 hours, or risk military retaliation. The ultimatum also demanded that Iraq stop using radar to target U.S. planes patrolling the sky over the southern "no-fly zone."

Last August, the United States, Britain, and France declared the setting up of a "no-fly zone" over southern Iraq, banning Iraqi planes from entering the zone, allegedly to stop the Iraqi Government from using its air force to suppress local Shi'ite Muslims. On 27 December, a U.S. Air Force warplane shot down an Iraqi MiG-25 jet fighter, the first incident of direct conflict since the establishment of the "no-fly zone."

Since the shooting incident, the situation in southern Iraq has become increasingly tense. An Iraqi official claimed that the Iraqi fighter was shot down when it was on a routine patrol flight over its own territorial airspace. For this reason, Iraq would reserve the right to react against the U.S. "act of invasion" "in an appropriate manner" and "at an opportune time." At the same time, Iraq also deployed a number of Soviet-made SAM-2 and SAM-3 type surface-to-air missiles around the "no-fly zone." The Iraqi military deployment in the south has aroused "serious unease" on the U.S. side, causing the U.S. to immediately recall its aircraft carrier Kitty Hawk to the Gulf from its military relief mission along the Somali coast, and to increase patrol flights over the "no fly zone" in order to maintain and increase its military pressure on Iraq.

White House Spokesman Marlin Fitzwater stressed: The United States will not tolerate continued violations by Iraq of the United Nations Security Council's resolutions. He said: "We feel very uneasy about the situation in Iraq. We are watching closely Saddam's every move."

During a nationwide television address on the occasion of Army Day on 6 January, Iraqi President Saddam Husayn did not make any explicit statement against the U.S. warning; however, he vowed that he would not

tolerate another act of violation, adding that Iraqi troops had made preparations to safeguard Iraq's dignity.

Public opinion generally believes that the recent frequent flights by Iraqi fighters and the deployment of air defense weapons in southern Iraq are exploratory moves meant to test the resolve of the United States and other Western nations in imposing restrictions on Iraq. In this regard, outgoing U.S. President Bush has made it clear that if Saddam wants to "test for a while" U.S. resolve during the U.S. Government transition, then he has made another big mistake. Meanwhile, U.S. President-elect Clinton's spokesman said the other day in Little Rock, Arkansas, that Clinton "supports efforts made by President Bush to force Iraq to observe the UN resolutions, and he will do the same thing when he assumes the presidency."

'Collision Course' Over No-Fly Zone

OW0801213293 Beijing XINHUA in English 2112 GMT 8 Jan 93

[Text] Washington, January 8 (XINHUA)—The United States and Iraq seem to ride a collision course today as the U.S. deadline nears for Baghdad to remove its air-defense missiles from the "no-fly" zone in southern Iraq.

"It looks like we are on a collision course," said Lee Hamilton, chairman of the House Foreign Affairs Committee.

And U.S. President George Bush, in a speech at the headquarters of the Central Intelligence Agency, said today that Iraq was trying to "challenge us... We are seeing that right now as we try to decide what to do over there in Iraq."

At the Pentagon, Colin Powell, chairman of the Joint Chiefs of Staff, said the United States has detected "a great deal of activity" in movement of both missiles and aircraft on Iraq's side of the "no-fly" zone.

"It is too early to say where all those missiles are going, where all those batteries are located, but we will monitor it carefully and in due course we will be able to make a judgement as to what they have done and whether (it) is satisfactory," Powell told CBS news.

As of mid-morning, stormy weather in southern Iraq frustrated U.S. efforts to check the location of the Iraqi missiles. A U.S. intelligence official said it was still unclear where the missiles were, and whether they had been moved from the zone, as demanded by the U.S. and its allies.

The United States, Britain, France and Russia issued their ultimatum on Wednesday that Iraq remove newly deployed anti-aircraft missiles from the zone in southern Iraq by 5:30 P.M. today or risk military retaliation.

But Iraq has rejected the U.S. demand. In Baghdad, Deputy Prime Minister Tariq 'Aziz told an emergency cabinet session today that Iraq has never recognized the

"no-fly" zone imposed on Iraq by the West and that "Iraq will not heed the West's ultimatum and will uphold its right to keep its air defense bases where they are."

"Should these bases be attacked, Iraq will certainly respond in kind to the aggression," the Iraqi official news agency quoted Aziz as saying.

White House spokesman, Marlin Fitzwater, said "they know our position. We will have to wait and see."

U.S. Actions Viewed

HK0801140593 Hong Kong TA KUNG PAO in Chinese 8 Jan 93 p 2

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Will the United States Attack Iraq Again?"]

[Text] Iraq Told To Withdraw Missiles Within 48 Hours

With Britain, France, and Russia, the United States jointly presented an ultimatum to Iraq, asking it to withdraw, within 48 hours, the surface-to-air missiles it had deployed in its southern region "no-fly zone." The United States, Britain, and France set up a "no-fly zone" in southern Iraq in August last year, banning Iraqi Air Force's planes from flying in the zone. The reason for so doing was to protect the lives of the Shiites and Kurds in the region. Last 27 December, a U.S. plane shot down an Iraqi Air Force MiG over the zone.

After its war plane was downed, Iraq deployed surface-to-air missiles along the border of the air exclusion zone. Seizing this opportunity, together with France and Britain, the United States threatened that force would again be used against Iraq if it did not remove the missiles within a set time.

China did not agree with so readily taking military action against a country in the name of the United Nations. Yesterday, a spokesman from Beijing's Ministry of Foreign Affairs dealt with the issue of the need to respect a sovereign country. China hopes that the Gulf situation will not once again become tense and complicated. Apparently, of the five permanent members of the Security Council, the United States, Britain, and France actively propose taking action against Iraq. Russia just follows the trend, and China favors a peaceful settlement of the dispute.

Iraq lodged a strong protest against the 48-hour ultimatum, pointing out that the ultimatum had nothing to do with the United Nations and was completely a U.S. idea. As of last night, Arab nations had not yet voiced their opinions. Various countries in the world are closely following developments in this issue.

Arab States Support Neither Side

The Iraqi Saddam [Husayn] regime's brutal suppression and massacre of the opposing Shiites and the minority Kurds has long aroused a strong aversion within the

international community. The U.S. protection of the Shiites and Kurds opposing Saddam in the name of the United Nations is aimed at attacking Saddam. The setting up of an air exclusion zone in southern Iraq and downing the Iraqi plane by the United States are acts infringing upon Iraq's sovereignty. Many Arab nations are reluctant to air their views on the dispute between the United States and the Iraqi Saddam regime, because Saddam does have many faults and, particularly, he cruelly suppresses dissidents. They do not deem it worthy to speak out for what he has done in this regard. Neither do they speak highly of the way Bush dealt with Iraq, apparently in the name of the United Nations, an act which contains an element of George Bush's revenge on Saddam due to his extreme hatred for the latter. In addition to the Arab nations, many Third World nations hold the view of neither supporting Saddam nor agreeing with the United States. So, in coping with the Saddam regime, the United States has managed to gain very great "freedom of action."

How Will Saddam Deal With the Situation?

It is just two weeks before Bush leaves office. At this moment, he is still prepared to take strong active measures. His real intention is also to give a clear and definite answer to the deployment of missiles, which was regarded as Saddam's "probing move."

The Saddam regime is expected to voice strong verbal protests but, in fact, it will not be in such a passive position vulnerable to attack. During the Gulf war, the Saddam regime did not enjoy popular support. The anti-Saddam forces at home and abroad should not be ignored. If a war breaks out this time, the one to suffer will naturally be Saddam. It seems that Iraq will gradually soften its position as it did in the past in opposing the United Nations monitoring teams in inspecting and verifying its nuclear facilities. However, the deep hatred of Saddam and his followers for the United States will not be difficult to see. This hatred will become a seed of revenge against the West by every possible means some day.

U.S. President Bush delivered a speech at the West Point Academy in New York State 5 January. While stating that as the only post-Cold-War only superpower, the United States should play a leading role and be prepared to use military muscle if necessary, he also said: "The United States is not prepared to play global policeman." He favored "judging cases as they stand and handling them with great care while using military might." Is the current U.S. 48-hour ultimatum to Iraq a "police action" or an action of "upholding righteousness for the world?" We believe that it is not difficult to make a judgment.

Pentagon on Iraqi Missile Removal

OW0901030793 Beijing XINHUA in English 0125 GMT 9 Jan 93

[Text] Washington, January 8 (XINHUA)—Iraq has moved its anti-aircraft missiles that had threatened allied planes patrolling the no-fly zone in southern Iraq

as today's deadline set by the allies for Iraq to remove the weapons passed, a Pentagon official said.

"They have been broken down. They are no longer up and in a position to shoot," the official said on condition of anonymity.

But other officials said that the movement does not mean the confrontation between Iraq and the allies led by the United States was over for good.

"We're still watching this very closely," the Pentagon official said. "We are still in a position to take action, should we find that we need to do so."

White House 'Unclear' on Compliance

OW0901031093 Beijing XINHUA in English 0157
GMT 9 Jan 93

[Text] Washington, January 8 (XINHUA)—The White House said today the United States had observed "a good deal of movement" of Iraqi missiles, but it was unclear whether Iraq had complied with the U.S. ultimatum or merely repositioning the weapons.

In a brief statement, released just minutes before a 5:30 P.M. deadline set by the U.S. and its allies, White House Spokesman Marlin Fitzwater said there was evidence that missiles in the "no-fly" zone in southern Iraq had been transferred.

But Fitzwater said "disposition of the surface-to-air missiles is less clear."

"There has been a good deal of movement involving the missiles, but we are still in the process of determining whether Iraq is in compliance," he said. "We continue to keep the situation in Iraq under close scrutiny."

The spokesman also said the United States had observed "no penetration of Iraqi aircraft of the no-fly zone" since the ultimatum issued on Wednesday by the United States, Britain, France and Russia for Baghdad to remove its air-defense missiles from the zone, or risk military retaliation.

Earlier today, Iraq continued to reject the U.S. and its allies' demand. In Baghdad, Deputy Prime Minister Tariq Aziz told an emergency cabinet session today that Iraq had never recognized the "no-fly" zone imposed on it by the west and that "Iraq will not heed the west's ultimatum and will uphold its right to keep its air defense bases where they are."

"Should these bases be attacked, Iraq will certainly respond in kind of the aggression," the Iraqi official news agency quoted Aziz as saying.

U.S. President George Bush summoned his top military and foreign policy advisers a few hours after Aziz's remarks. Gen. Colin Powell, chairman of the Joint Chiefs of Staff, Deputy Defense Secretary Donald

Atwood and Brent Scowcroft, national security adviser, were among those present at the mid-morning White House meeting.

At noon, Bush said in a speech at the headquarters of the Central Intelligence Agency that Iraq was trying to "challenge us... We are seeing that right now as we try to decide what to do over there in Iraq."

And Gen. Powell told U.S. CBS-TV that the United States had detected "a great deal of activity" in movement of both missiles and aircraft on Iraq's side of the "no-fly" zone.

"It is too early to say where all those missiles are going, where all those batteries are located, but we will monitor it carefully and in due course we will be able to make a judgment as to what they have done and whether (it) is satisfactory," he said.

As of mid-morning, stormy weather in southern Iraq frustrated U.S. efforts to check the location of the Iraqi missiles. A U.S. intelligence official said it was still unclear where the missiles were, and whether they had been moved from the zone.

Editorial Analyzes U.S. Actions in Somalia

HK1101040693 Hong Kong WEN WEI PO in Chinese
11 Jan 93 p 2

[Editorial: "Bush's Thorny Issue of Somalia"]

[Text] On 3 November, U.S. President Bush announced that he was prepared to be relieved of his office after his failure in the presidential election but Clinton would not take office until 20 January. During this period of more than two months, the U.S. diplomatic pendulum could stop swinging, something that Bush was most unwilling to see.

He could not take any major military action nor could he make any strategic foreign visit. However, he could not allow the international community to feel that the United States had become a deflated ball after the end of the Cold War without the ability to command its allies, to coordinate actions by the West, and to play the part of international policeman. For Bush, he had to take action or react to the Middle East dispute, the Bosnia civil war, and the hot spots of ethnic conflict in some areas of the former Soviet Union. However, he chose a "soft persimmon" and preferred to take action in Somalia. U.S. strength was indeed on the decline and it could not send its troops alone to conduct armed intervention. This was because it would have to pay the bill for any military action. If it sent its troops alone, it would be awe-inspiring but it would have to pay all the costs by itself. Other people would just sit on the side to see U.S. strength being worn down in a senseless way. In the more than 40 years since the end of World War II, the United States has sent its troops everywhere in the world and its economic strength has also declined drastically. Its GNP fell from over half the world's total in the early postwar

years to about 22 percent in the late 1980's. In the Gulf war, Bush learned a useful lesson. He knew that he should summon all allies to jointly take military actions and share the costs. Thus, if the war causes any losses to the economic strength of the nations involved, they would all bear the brunt simultaneously. As a leading military power, it would not only display its military strength but would also reduce the factor of allowing its economic rivals to catch up with it by giving them an opportunity to concentrate on economic construction. Last year, when the Pentagon worked out the U.S. security policy program, it pointed out the key to maintaining the superpower status, that is, by preventing Western Europe or East Asia from becoming a competitive rival of the United States. Against such background, the United States took the lead in dispatching 28,000 troops to Somalia to carry out the task of escorting the delivery of relief grain. After the United States dispatched the troops, the European allies and Japan naturally had to pay the costs of the action. The United States had another intention. That is, it planned to withdraw its main force from Somalia before 20 January and their tasks would be taken over by reinforcements sent by the allied countries. Among the various hot spots in the world, Somalia is a hot potato that can be handled most easily. Bush selected Somalia as a place for taking action because he could find room for maneuver there and could withdraw his troops at any time and prevent himself from being mired in another Vietnam.

Some people say: Somalia has been plunged into a state of anarchy. In distributing food, the U.S. Army shows preference only for "key points" and not to the highways linking the key points, much less to the entire area. The majority of the starving people in the villages basically cannot obtain food. This is entirely a humanitarian action intended as a "show." Once the U.S. troops are gone, the big and small warlords will fight each other again, famine will reappear, and more people will die of starvation. What then is the effect of such military action?

The question is that the United States already has a new concept about promoting "democracy and peace." If it succeeds in this "easy task" in Somalia, then it can do the same in hot spots like Bosnia Hercegovina and Iraq where it can change the political systems and governments of these places. Northern Somalia used to be a British colony while the southern part was an Italian colony. After becoming independent in 1960, it pursued a Western-style multiparty democratic system. But this kind of democracy built in the absence of public education, economic and material foundation, and popular education quickly led to the election of the dictator, Siad Barre. In the 1970's, Barre obtained massive amounts of arms from the Soviet Union but, when the Soviet Union transferred its military assistance to Ethiopia in 1977, Barre lost its patronage and he turned to the Carter government from whom he obtained U.S. arms. Since then, Somalia has manipulated its way into becoming a mini-arsenal. The reason that both the United States

and the Soviet Union were willing to provide military assistance to Somalia was because of the importance of its strategic location in controlling the Red Sea. Because of his cruel and ruthless regime, strongman Barre was overthrown by guerrillas from the different tribes. However, the discord among the tribes led to periodic fighting between two factions, plunging Somalia into a state of anarchy, causing the total collapse of its economy and widespread starvation. By sending troops to help in the distribution of food, the United States wanted to cultivate an image as a "savior" and then to help create a directly elected government. However, this is easier said than done. To set up a Western-style government in an impoverished and backward region, the West will have to provide massive economic assistance and, in the end, this will be shouldered by the United States. Once he assumes power, Clinton will have to deal with this headache.

United States & Canada

Li Peng Meeting With U.S. Senators Discussed

HK0901062393 Hong Kong TA KUNG PAO in Chinese
9 Jan 93 p 3

["Political Talk" column by Shih Chun-yu (2457 0689 3768): "Li Peng Meets U.S. Democratic Senators"]

[Text] Li Peng Stresses Three Principles in Sino-U.S. Relations

U.S. Democratic President-elect Bill Clinton will soon be sworn in; a focus of attention from all sides is how Sino-U.S. relations will develop from now on. Chinese Premier Li Peng met U.S. Democratic Senators Bennett Johnston and Daniel K. Akaka in Beijing yesterday, and indicated that politically and economically China and the United States have no reason to end developing their friendly, cooperative relations. China has reaffirmed its basic stand toward the United States, namely to develop and improve Sino-U.S. relations with their joint efforts on the basis of the principles of the three bilateral joint communiques, especially the principle of mutual respect and noninterference in each other's internal affairs. Li Peng's statement evidenced that China has been persistent in its basic position, whether the Republicans or the Democrats are in office.

The biggest topic facing Clinton after his inauguration is U.S. economic policy. He wants to push "economic diplomacy" toward China and Japan. He is ready to add pressure and set out preconditions for Japan and China. From what U.S. Democratic figures have revealed we have learned something of the prospects for how the future Clinton administration will govern. It is expected that Clinton's economic policy toward China will create "friction" between the two countries.

The Clinton Administration Will Add Pressure to China

Regarding U.S. trade relations with China and Japan, the Clinton administration will precisely require China to further implement political democratization, relax imports economically, further open its market, and restrict arms exports to the Third World. Whereas the Clinton administration will require Japan to "expand its domestic demand and increase its share of the burden in Japanese-U.S. joint defense." Democratic figures have also disclosed that China and Japan should regard this point as the "U.S. policy of economic diplomacy." Few as those words are, they show that "he who has come is not friendly," with Clinton taking office.

Democratic Vice-President-Elect Al Gore, designated Treasury Secretary Lloyd Bentsen, and Tyson [name as published], designated chairman to the Council of Economic Advisers, have recently unanimously clamored that the United States should adopt a policy of attaching importance to Asia; and should those countries reject U.S. requirements, they would not enjoy U.S. support. The "benefits" the United States has promised Japan include support for the latter to become a permanent member of the Security Council. Whereas China would have U.S. support in restoring its membership of the GATT.

Democrats in the U.S. Congress have all along criticized Bush for doing nothing about the huge trade deficits with Japan and China. When Clinton takes office, with the Democrats gaining the upper hand in the Congress, he will not veto a bill to grant China conditional most-favored-nation status. Thus, contradiction will break out.

The Losses Outweigh the Gains in Pursuing Protectionism

It is expected that a period of ups and downs, setbacks and struggle will surface in Sino-U.S. relations with Clinton taking office.

However, many figures with insight in the United States believe China is important to U.S. interests, and have vigorously advised Clinton to base the preconditions on this fact.

They believe that economically, China is a developing country with the greatest potential in Asia. Should Mainland China, Hong Kong, Taiwan and Southeast Asia maintain high economic growth, that would bring bright prospects to the United States in its domestic investment, trade and employment. Politically, without China's cooperation it would be very difficult for the United States to play its role in maintaining world peace in the post-Cold-War era. Without China's participation, environmental protection would be out of the question. China's political and economic stability is an indispensable condition for world stability. Should turmoil surface in China, with an outflowing of its population, the consequences would be beyond imagination.

Should the Clinton administration insist on strengthening protectionism, it would be a short-sighted and foolish decision. What the Clinton administration should really do is improve the quality of U.S.-made goods, and plunge into world competition with cheap but good U.S.-made goods; whereas the implementation of protectionism would only hurt the United States itself and others.

Daily Examines U.S. Foreign Policy in 1992

HK0801133093 Beijing RENMIN RIBAO in Chinese
25 Dec 92 p 7

["Year-End" by staff reporter Zhang Qixin (1728 0796 2500): "U.S. Foreign Affairs in 1992"]

[Text] In 1992, the first year after the ending of the Cold War, U.S. foreign policy is basically at a stage of readjustment, and its goal is to adapt to changes taking place internationally. The government has devoted most of its energy to dealing with a many new problems that are real and pressing. This can be described as a distinguishing feature of U.S. foreign policy this year.

Reestablishing U.S.-Russian Relations

One of the focal points of U.S. foreign policy this year has been how to establish and develop relations between the United States and Russia on the one hand, and between the United States and other member of the CIS. In the view of the United States, the disintegration of the Soviet Union brought both "opportunities" and "risks." Hence, the United States has engaged in frequent diplomatic activities with Russia and other CIS countries, striving to prevent nuclear proliferation through arms control, to further reduce nuclear weapons, and to enable these countries to stabilize the situation and to shift a free market economy and "democratic system" through political and economic means. This year, Russian President Yeltsin met U.S. President Bush twice, while Ukrainian President Kravchuk and Kazakhstan President Nazarbayev also paid separate visits to Washington. As a result, "Cold War confrontation" has been replaced by "cooperation" and "partnership" between the United States and CIS countries, such as Russia.

In the field of arms control, the United States and Russia have reached a new agreement on further reducing nuclear weapons on the basis of the "U.S.-Soviet START Treaty," stipulating that both parties would reduce their respective strategic weapon nuclear warheads from 6,000 to 3,000-3,500 by the year 2003. Meanwhile, the United States has also signed a protocol on fulfilling the "U.S.-Soviet START Treaty" with Russia, Ukraine, Belarus, and Kazakhstan. Ukraine, Belarus, and Kazakhstan have undertaken the obligations of fulfilling the treaty and promised to sign the "Nuclear Non-Proliferation Treaty." This is not to say, however, that U.S. concern over the nuclear weapons owned by the former Soviet Union have all been dispelled. Regarding the implementation of the nuclear disarmament treaty

and the drafting of a new agreement on nuclear disarmament, many technical problems still remain unresolved. This will still be an important topic for U.S. foreign policy in the days to come. With regard to economic relations between the United States and CIS countries such as Russia, apart from bilateral trade and investment agreements, the most important issue at present is how to bring economic aid into effect. Led by the United States, Western countries worked out a package plan in April to provide \$24 billion in aid to Russia, including bilateral aid granted by individual countries and aid granted through the IMF. Because the IMF made some stringent demands on Russia's economic reform, however, the aid agreement has not been reached even after a long delay, the package plan is now far from substantial, and there is no sign that future aid will be forthcoming.

Setting About Readjusting U.S.-European Relations

With the end of the Cold War, the original basis of U.S.-European allied relations—joint resistance to the Soviet military threat—no longer existed but the United States and Europe still had common interests in maintaining the stability and prosperity of Europe.

With the changes in the situation, the role of NATO is changing. Hence, the United States set about readjusting its relations with Europe. First of all, at a time when the role of CSCE, the EC, and Western European Union is being confirmed, the nature, function, role, and area of activity of NATO is being constantly readjusted and the United States will reduce its military strength in Europe. U.S. Armed Forces stationed in Europe have been cut from 320,000 to 200,000 over the past two years and are expected to reduce to 150,000 by 1995. At present, differences over European defense and security exist on both sides of the Atlantic Ocean, between the United States and France in particular, whereas people in the United States also debate the presence of troops stationed overseas. Nevertheless, the United States will still defend the existence of NATO, treating the organization as the main channel of handling matters related to European defense and security, and continuously maintain a "meaningful" military presence in Europe to guarantee U.S. influence there.

Vigorously Intervening in Regional Issues

In 1992, apart from approving the formation of a UN arms control panel and setting up a "no-fly zone" in southern Iraq to maintain pressure on Iraq and to undermine Saddam Husayn's regime, the United States also did its utmost to intervene in and to try to resolve regional conflicts and issues in the Balkans, the Middle East, and Somalia.

Since the Gulf war, the United States has relied increasingly on the role of such international organizations as the United Nations to handle regional issues. As for the former Yugoslavia, the United States, in cooperation with Britain and France, twice pushed the UN Security

Council to adopt resolutions to apply sanctions against Serbia. The United States and other countries even dispatched naval vessels to adjacent sea areas to compel Serbia to stop military intervention in Bosnia-Herzegovina.

The United States has, however, adopted another kind of practice in the Middle East, that is, going in without the UN to defend U.S. and Western interests. Over the past year, as far as the Mideast peace talks are concerned, the United States has stressed bilateral negotiations between Israel and Syria, between Israel and Jordan, between Israel and Palestine, and between Israel and Lebanon. It has also done its utmost to maintain the momentum of the peace talks, striving to make step-by-step progress so that peace in the Middle East can be reestablished "on the basis of UN Resolutions 242 and 338 and of the principle of land for peace." Because the Arab-Israeli conflict is a long-standing one and the peace talks are often affected by internal and external conditions on the various sides, however, it is not easy to achieve a rapid settlement of the dispute.

Trade and Economic Relations Increasingly Gain Diplomatic Focus

Because of economic recession, the United States had more and more trade disputes with Western Europe and Japan over the past year. The United States is the largest exporter in the world and the Bush administration has repeatedly stressed "free trade" and striven to work through diplomacy to open up overseas markets for U.S. commodities.

The United States put various pressures on Western Europe to compel the latter to reduce subsidies for agricultural exports and to reach an agreement on U.S.-European agricultural trade talks.

On the other hand, in order to compete with such trade blocs as the EC, the United States vigorously expedited North American trade talks and signed the North American Free Trade Agreement in December with a view to abolishing gradually tariffs and trade barriers between the United States, Canada, and Mexico. The United States will sustain losses in the short run but, from the long-term point of view, this agreement will be beneficial to the U.S. economy and its exports.

Bush Visits CIA, Urges Expanded Intelligence Role

OW0801213093 Beijing XINHUA in English 2037
GMT 8 Jan 93

[Text] Washington, January 8 (XINHUA)—U.S. President George Bush today urged the country's secret service men for more intelligence in dealing with new challenges facing Washington.

Bush, who had been head of the Central Intelligence Agency (CIA), in a farewell speech at the CIA Headquarters in Langley, Virginia, said the country needs "more intelligence, not less."

"This is not a time to claim victory and turn our back on the intelligence needs of the future," Bush said.

"As we'll face a more turbulent and unpredictable world and as our military forces are being reduced, I don't think we ought to be contemplating significant reduction in the intelligence areas," he said.

Bush praised the CIA for its role in the demise of the former Soviet Union and the conclusion of two strategic arms reduction treaties.

"I think that the work of the agency and of the intelligence community through the years really probably will never get the credit that it deserves for effecting these changes, for your role in bringing about these changes," the president said.

He also praised the CIA for their work in gathering arms proliferation, drug trafficking and economic intelligence.

Bush commended the secret service men and awarded Bob Gates, the CIA director, a National Security Medal, "the highest medal that a president can give for national security."

Central Eurasia

Belarus Leader Shushkevich Continues Xiamen Visit

OW0901084993 Beijing XINHUA in English 0838
GMT 9 Jan 93

[Text] Xiamen, January 9 (XINHUA)—Chairman of the Belarus Supreme Soviet Stanislav Shushkevich today continued his tour of Xiamen—a special economic zone in east China's Fujian Province.

Shushkevich and his party, accompanied by Zeng Xianlin, chairman of the Chinese Government Reception Committee and minister of light industry, visited a limited-liability company, a knitwear company Ltd. and an electronics enterprise in the city. They also toured the Gulangyu Islet, a scenic spot in Xiamen.

Yesterday evening, Deputy Governor of Fujian Province Zhang Jiakun hosted a dinner in honor of the Belarus chairman and other guests. He also briefed them on achievements of Fujian Province as well as its Xiamen in the course of reform and opening to the outside world.

Shushkevich and his party arrived here from Beijing on Friday [8 January] for a two-day visit to this special economic zone.

Returns to Beijing

OW0901134493 Beijing XINHUA in English 1322
GMT 9 Jan 93

[Text] Beijing, January 9 (XINHUA)—Chairman of the Belarus Supreme Soviet Stanislav Shushkevich and his party returned here this evening, ending a two-day tour of Xiamen, a special economic zone in east China's Fujian Province.

Zeng Xianlin, chairman of the Chinese Government Reception Committee and minister of light industry, accompanied them on the trip.

Shushkevich and his party flew to Xiamen from Beijing on Friday [8 January].

Meets Yang Shangkun

OW1001121493 Beijing Central Television Program
One Network in Mandarin 1100 GMT 10 Jan 93

[From the "National News Hookup" program]

[Text] This morning Stanislav Shushkevich, chairman of the Belarus Supreme Soviet, called on Yang Shangkun, state president, who has been hospitalized for health reasons. [video shows a pajama-clad Yang Shangkun lying in bed, smiling and shaking hands with Shushkevich]

President Yang Shangkun extended his welcome to Chairman Shushkevich, saying: I have entrusted Wan Li, chairman of the National People's Congress Standing Committee, to host your excellency; I hope your visit will be a complete success. [video shows Yang talking to an unidentified male interpreter. While he is speaking, Yang looks intently at the interpreter, gesticulates with his right hand, and smiles broadly]

Shushkevich thanked Yang Shangkun for having invited him to visit. He said: I have been deeply impressed during the past two days of my tour. He wished President Yang Shangkun a speedy recovery. [video shows Shushkevich talking to Yang Shangkun]

Talks With Wan Li

CM1101153093 Beijing XINHUA Domestic Service in
Chinese 1236 GMT 10 Jan 93

[Text] Beijing, 10 Jan (XINHUA)—Wan Li, chairman of the Chinese National People's Congress [NPC] Standing Committee, said here today that the relations between China and Belarus have entered a new stage with the current visit to China by Stanislav Shushkevich, chairman of the Belarus Supreme Soviet.

Wan made the remark while meeting with Shushkevich at the Great Hall of the People this afternoon on behalf of President Yang Shangkun.

According to a Chinese official attending the meeting, Wan said that Shushkevich's current visit to China was an important event in Sino-Belarus relations and will deepen these ties.

During the meeting, the two leaders reviewed the satisfactory development of bilateral relations since the two countries established diplomatic relations a year ago.

Wan said that the two peoples have traditional ties of friendship and that the mutually beneficial cooperation between the two countries has a solid basis.

"China always holds that all countries, large or small, should be equal and have the right to choose their own social system, ideology, and road of development," Wan was quoted as saying.

China is willing to further develop mutually beneficial bilateral relations with Belarus on the basis of the principles of mutual respect, noninterference in each other's internal affairs and peaceful coexistence and to see Belarus play an active role in international affairs, he said.

On the domestic front, Wan told Shushkevich that 14 years of reform and opening to the outside world has resulted in greater development for China.

At present the Chinese people, in the light of Deng Xiaoping's theory of building socialism with Chinese characteristics, are striving to realize the goal of establishing a socialist market economy.

Shushkevich thanked Chinese President Yang Shangkun for his invitation and China for its recognition of Belarus immediately after its independence, which, he said, embodies China's respect for Belarus.

Shushkevich said that Belarus appreciates China's principle, which demands that all countries, large or small, enjoy equality, and that it cherishes the friendly relationship between the two countries.

Shushkevich also expressed the hope that both countries, with concerted efforts of the two peoples and governments, would further develop their relations of mutual benefit and cooperation.

Belarus is now carrying out its economic reform, Shushkevich said, adding that China's experience in this regard is worth learning.

Prior to the meeting, Wan Li presided over a ceremony in honor of the visiting chairman. Following the meeting, Wan hosted a welcoming banquet for Shushkevich and his party.

Present at the banquet were Seypidin Aze, vice chairman of the NPC Standing Committee; Zeng Xianlin, chairman of the Chinese Government Reception Committee and minister of light industry; Cai Cheng, minister of justice; Qi Huaiyuan, director of the foreign affairs office of the State Council; (Nicola Yevich), vice

chairman of the Belarus Supreme Soviet; and Kravchanka, foreign minister of Belarus.

Shushkevich and his party also visited the Sijiqing town in the suburbs of Beijing and the Palace Museum in the center of the Chinese capital.

Views Ties With Jiang Zemin

OW1101124093 Beijing XINHUA in English 1229
GMT 11 Jan 93

[Text] Beijing, January 11 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met with chairman of the Belarus Supreme Soviet, Stanislav Shushkevich, here today.

A Chinese Foreign Ministry official quoted Jiang as saying that the friendly relations between China and Belarus have had a good start since Belarus' independence.

Jiang told Shushkevich that he had valuable discussions with Belarus Prime Minister V.F. Kebich last year. "Our two countries and two peoples should further increase mutual understanding, expand exchanges and strengthen cooperation, so as to develop a mature bilateral relationship," he said.

On state-to-state relations, Jiang said China has always pursued the Five Principles of Peaceful Co-existence.

All countries, no matter big or small, should co-exist peacefully, Jiang said. People of all countries have the right to choose their own social systems and road of development according to their own conditions, he added.

During the meeting, Jiang also briefed the visitors on China's reform and opening policy, as well as China's economic development.

Shushkevich said that the people of Belarus cherish the friendship with the Chinese people, and Belarus appreciates the principle that all countries are equal, a principle advocated by China.

He said that his country hopes to further develop friendly and mutually beneficial relations with China on the basis of the five principles of peaceful co-existence.

Near East & South Asia

Qian Qichen Holds Talks With Omani Counterpart

OW0901075493 Beijing XINHUA Domestic Service in Chinese 1420 GMT 6 Jan 93

[By reporter Chen Wenru (7115 2429 1172)]

[Text] Muscat, 6 Jan (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, held a meeting this morning with Yusuf Bin-'Alawi Bin-'Abdallah, Omani minister of state for foreign affairs. In a friendly and harmonious atmosphere, both parties exchanged

opinions about bilateral relations, as well as regional and international issues of common concern.

Concerning the bilateral relations, Qian Qichen said: Under joint efforts by the leaders and governments of both countries, Sino-Omani friendly and cooperative ties have progressed smoothly. The volume of trade between the two countries has increased rapidly in recent years, with the 1991 trade volume exceeding \$400 million. Minister Qian said: China is ready to continue to expand all aspects of friendly exchanges and cooperation with Oman. It will continue to develop economic and trade ties between the two countries.

Yusuf Bin-'Alawi Bin-'Abdallah said: Oman is pleased with the successful convening of the first meeting of the Sino-Omani Mixed Committee for Trade Affairs held last year because it has promoted relations between the two countries. He continued: Oman is willing to expand friendly contacts with China and develop their economic and trade cooperation.

Yusuf Bin-'Alawi Bin-'Abdallah briefed Qian Qichen on the situation in the Gulf area. Minister Qian Qichen said: It has been nearly two years since the Gulf War ended. Although the situation in the Gulf area has been somewhat alleviated, its intrinsic problems have not yet been resolved. In addition, new problems have cropped up. Therefore, the situation in the region is still complicated and sensitive. He continued: China is very concerned about peace and stability in the Gulf area. China believes that the peace and stability in the Gulf area can only be realized by the joint efforts of the Gulf Cooperation Council, regional states, and the international community. He expressed his admiration for the efforts made by Oman to safeguard the peace and stability of the region and its practice of solving territorial issues with its neighboring countries in accordance with the principles of mutual understanding and mutual accommodation, as well as friendly dialogue.

While talking about Middle East issues, Qian Qichen said: Middle East issues can be resolved only by peaceful negotiations. In spite of the fact that the Middle East

peace talks face many difficulties, the possibility for final success still exists. For this reason, the talks should be continued. He pointed out: Israel's recent action to deport more than 400 Palestinians is not beneficial to the Middle East talks. He expressed his hopes that this issue will be properly resolved as soon as possible.

Qian Qichen arrived here early this morning for a visit. After visiting Oman, he will continue his trip to Mauritania, Cameroon, Gabon, Burundi, and Rwanda.

Concludes Trip, Departs for Africa

OW0901082593 Beijing XINHUA Domestic Service in Chinese 1247 GMT 8 Jan 93

[By reporter Chen Wenru (7115 2429 1172)]

[Text] Muscat, 8 Jan (XINHUA)—After concluding a two-day official visit to the Sultanate of Oman, Chinese State Councilor and Foreign Minister Qian Qichen and his delegation left here for a visit to Africa in the small hours of the morning.

Omani Foreign Minister Yusuf Bin-'Alawi Bin-'Abdallah and other high-ranking officials saw them off at the airport.

During the visit, Foreign Minister Qian was received by Omani Sultan (Head of State) Qabus Bin-Sa'id. He met with Thuwayni Bin-Shihab Al Sa'id, special representative of the Sultan, and Qays 'Abd-al-Mun'im al-Zawawi, deputy premier for financial and economic affairs.

Foreign Minister Qian also held talks with Foreign Minister Yusuf Bin-'Alawi Bin-'Abdallah. The two sides discussed a broad range of issues, including bilateral relations, regional issues, and international issues of common interest. They shared identical views on many major issues.

Before his departure, Foreign Minister Qian was interviewed by a reporter from the OMANI NEWS AGENCY. He expounded China's principled positions on the prospects for Sino-Omani relations, China's relations with the Gulf states, the Middle East peace talks, and Israel's recent deportation of Palestinians.

Political & Social**Daughter Says Deng Xiaoping in 'Very Good Health'***HK0901030293 Hong Kong WEN WEI PO in Chinese 9 Jan 93 p 2*

[Report by staff reporter: "Deng Xiaoping Is in Good Health"]

[Text] Foshan, 8 Jan (WEN WEI PO)—According to Deng Nan, vice minister of the State Science and Technology Commission, who is in Foshan to attend a ribbon cutting and foundation stone laying ceremony for 13 projects in this city, her father, Deng Xiaoping, is in very good health, and she saw him just recently. However, Deng Nan refused to divulge whether she will meet up with her father in Shanghai.

Spokesman Confirms Yang Shangkun's Hospitalization*OW0901102893 Tokyo KYODO in English 1011 GMT 9 Jan 93*

[Text] Beijing, Jan. 9 KYODO—A Foreign Ministry spokesman Saturday [9 Jan] confirmed reports that Chinese President Yang Shangkun has entered a Beijing hospital to undergo medical treatment.

"President Yang Shangkun has entered hospital because he is not feeling very well," Wu Jianmin said.

His remarks at a New Year reception for foreign journalists confirmed reports earlier this week that Yang is suffering from a minor ailment but Wu declined to give further details.

Yang, 85, is believed to have entered a military hospital earlier in the week, possibly suffering from a leg complaint.

Wu said National People's Congress (NPC) Chairman Wan Li will replace Yang at a formal welcoming ceremony Sunday for Belarus President Stanislav Shushkevich.

Wan has been touted as a strong contender to succeed Yang, assuming the president retires from office this spring when China's parliament is scheduled to convene its Eighth NPC Congress.

Despite his age, Yang is widely considered the most robust of China's octogenarian leaders and last year carried out a heavy work load, including several state visits overseas.

Sources close to Yang's family say he is prone to checking into hospital at the slightest sign of illness.

'Unwell' Since Late December*HK1101062193 Hong Kong SOUTH CHINA MORNING POST in English 11 Jan 93 p 9*

[Article by Willy Wo-lap Lam]

[Excerpts] President Mr Yang Shangkun has recovered sufficiently to receive visitors in a Beijing military hospital. [passage omitted]

Sources in Beijing said Mr Yang had been unwell since late December.

One source said the President had suffered the relatively minor ailment of inflammation of a vein in the leg, which prevented him from attending state functions.

The state of Mr Yang's health first came into question when he missed the festivities marking the New Year.

But political analysts in Beijing said that partly because of the removal of the military powers of his half-brother, General Yang Baibing, Mr Yang might also be in political trouble.

In late December, Mr Yang missed a "party life meeting" convened at the behest of patriarch Mr Deng Xiaoping to promote "inner-party unity".

Party elders who either made suggestions about or took part in the conclave included Mr Peng Zhen, Mr Bo Yibo, Mr Yao Yilin, Mr Wan Li, and generals Yang Dezhi and Qin Jiwei.

"The major theme of the party life meeting is to decry factionalism and promote unity among leaders from different wings of the party," a source said.

"That Yang Shangkun was not involved in the meeting shows he is not seeing eye to eye with his old friend Deng Xiaoping."

According to decisions made early last year, Mr Yang and Mr Yang, who is believed to be very ill, will retire at the end of the NPC in April. Party chief Mr Jiang Zemin is considered the front-runner to succeed Mr Yang.

The high profile enjoyed by Prime Minister Mr Li Peng during his recent trip to Guangdong has quashed speculation he might be kicked upstairs by being appointed state president.

"Red capitalist" Mr Rong Yiren and sociologist Professor Fei Xiaotong have been mentioned as potential successors to Mr Yang.

Since both Mr Rong and Professor Fei are prominent non-communist politicians, their elevation would buttress Beijing's claim to be promoting "multi-party cooperation".

Deng Liqun Historical Society Gets Ministry Rank*HK1101055593 Hong Kong SOUTH CHINA MORNING POST in English 11 Jan 93 p 8*

[Article by Willy Wo-lap Lam]

[Text] Ideologue Mr Deng Liqun's National Historical Society has attained the status and ranking of a ministry, according to sources in Beijing.

Mr Deng, a former head of the party's propaganda department, set up the society early last month as a base for conservative commissars and party elders.

The sources said while such an institution was usually classified as an "organisation of the masses", Mr Deng had pulled strings to upgrade its status to a fully-fledged "ministerial-ranked" unit under the Communist Party.

"Being a ministerial-ranked unit, the society will have the resources to pay its affiliates well and to host conferences and other activities," a source said.

"Deng Liqun wants the society to be a base for launching his campaign against 'bourgeois liberalisation'."

Mr Deng, the society's founding president, has signed up the bulk of Beijing's leftist scholars as well as retired cadres and military officers.

But the reception from the public as well as the media has been lukewarm.

The large-scale ideological conference from December 8 to 10 that marked the formal inauguration of the society was only reported in one national-level newspaper, the *Guangming Daily* [GUANGMING RIBAO].

And Mr Deng has been unable to recruit intellectuals who had not previously worked for the left-wing establishment.

Meanwhile, Maoist writers have taken advantage of the apparent end of patriarch Mr Deng Xiaoping's anti-leftist campaign to "make propaganda" for their conservative cause.

In various press articles, leftist cadres including Mr Lin Mohan and Mr Wei Wei have played up the concept of "socialism, patriotism and collectivism being the central theme of the times".

The concept was first raised by party General Secretary Mr Jiang Zemin in Shanghai late last year.

The Maoists are glad that Mr Jiang, considered the anointed successor of Mr Deng Xiaoping, has toed the conservative line by putting hardline ideology above market reforms.

In numerous speeches last year, the patriarch had urged cadres to take economic construction and reform as the "core" of the work of the party.

Since early December, however, Mr Deng Xiaoping has ended his purge of the leftist heads of media and ideological units.

Sources: Jiang May Move Chen Yuan From Bank Post

HK0901033093 Hong Kong THE STANDARD in English 9 Jan 93 p 5

[Report by S.L. Law]

[Text] Chen Yuan, son of conservative party leader Chen Yun and vice-governor of the People's Bank of China, is tipped to lose his job amid efforts by Communist Party chief Jiang Zemin to consolidate control over the economy.

Sources said the plan to strip Chen of his central bank post was one of the measures taken by Jiang, now head of the party central's finance and economic panel, to get rid of possible obstacles to his ambitions.

Finance and economics had become more important since China began moving towards a market economy. Whoever controlled these sectors would be in a very influential position, analysts said.

Chen could not be reached at the People's Bank of China yesterday. But his secretary said the vice-governor had been working as usual in recent days.

The sources believe that whether Jiang, the party general-secretary, could really remove Chen would all depend on how much influence conservative leader Chen Yun still exerted on the leadership.

The senior Chen has held no official party or government position after his retirement from the party's Central Advisory Commission last October.

"If Jiang really succeeds in removing Chen Yuan, it would be a strong indication of the diminishing influence of the Chen family at this time when the conservative elder Chen Yun is reported to be in ailing health," one of the sources said.

Apart from planning to strip Chen of his position in the bank, the sources said, the party chief had also introduced structural changes in the finance and economic panel within the party to strengthen his grip on power.

"In the first place, he made Premier Li Peng and Vice-Premier Zhu Rongji both deputy heads of the panel to avoid concentration of power by either of them," one of the sources said.

"In the second place, Jiang created the post of secretary-general in the panel and had it filled by Wen Jiabao, an alternate Politburo member and head of the General Office of the party's Central Committee who had recently developed a close tie with the party chief himself."

The sources said these moves by Jiang did not mirror the remarks he had made in his early days as general secretary in 1989.

"Jiang pledged then that he would dissolve the finance and economic panel saying that the responsibility could be performed by the State Council," one of the sources said.

"Apparently, after having learnt the importance of grasping finance and economic powers after the adoption of the socialist market economy, Jiang has changed his mind."

Jiang Zemin Elected Deputy to Eighth NPC

OW0901103393 Beijing XINHUA in English 1025
GMT 9 Jan 93

[Text] Shanghai, January 9 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, was today elected a deputy to the Eighth National People's Congress.

Other deputies include Wu Bangguo, secretary of Shanghai municipal party committee, and Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress and chairman of the China International Trust and Investment Corporation.

Seventy deputies were elected on the last day of the Sixth Session of the Ninth Shanghai Municipal People's Congress out of 84 candidates.

Li Peng Visits Computer Company in Zhuhai

OW0901083193 Beijing XINHUA in English 0824
GMT 9 Jan 93

[Text] Guangzhou, January 9 (XINHUA)—Premier Li Peng said young scientists are the hope of the nation during a tour of the Giant Computer Company—a collective enterprise run by young scientists in Zhuhai—on January 6.

He was told about the pioneering spirit and achievements of the young scientists before he arrived in Zhuhai and added the company to his tour agenda.

"Scientists and technicians, including those who have returned after studying abroad, should have good working and living conditions to bring their talents and wisdom into full play," Li said.

Thirty-year-old Shi Yuzhu, general manager of the computer company, told the premier that the average age of the 190 employees at the company was 24 and that of the leadership about 26.

He said that the employees graduated from Zhejiang, Nankai, Jinan, Shenzhen and other universities. Most of them majored in computer science.

Shi reported that the Giant Company started its operation with only 4000 yuan (about 700 U.S. dollars) with neither a computer nor housing. With their knowledge, skills and pioneering spirit, the young people developed top quality Chinese word processing software. Last year the company marketed 28,000 software sets and grossed

160 million yuan (about 25 million U.S. dollars) for a net profit of 35 million yuan (about 6 million U.S. dollars).

The premier praised their achievements and enterprising spirit. He also encouraged them to develop software which can identify Chinese handwriting more effectively.

At request of the company, Premier Li wrote an inscription which said: "Young Scientists and Technicians Are the Hope of the Nation."

Hu Jintao Addresses National Youth Work Meeting

OW1001183293 Beijing XINHUA in English 1553
GMT 10 Jan 93

[Text] Beijing, January 10 (XINHUA)—Young people should fully recognize their historical task and carry on the cause of building socialism with Chinese characteristics.

Hu Jintao, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), made the remarks at a national meeting on youth work held in Wuhan city, Hubei Province, central China, on January 8.

He said, the 14 years of reform and opening drive have not only pushed China's economic development and people's living standard up to a new stage, but also brought up a new generation and a large group of young leaders.

Hu stressed that today's young leaders and the mass of youths are shouldering the historical task of carrying forward the revolutionary cause and forging ahead into the future, modernizing China and building socialism with Chinese characteristics.

Realization of modernization of China and the consolidation and development of socialism need unremitting efforts of several generations, he noted.

He asked young leaders to improve themselves in the following aspects: to march forward on the socialist road with Chinese characteristics; to master basic theories of Marxism and knowledge of modern science and culture; to emancipate their minds and have a practical and down-to-earth style of work; to carry forward the good traditions of the party, serve the Chinese people full-heartedly and fight against various corrupt tendencies.

The last is that young leaders should be modest and prudent, unit comrades, take the interest of the whole into account and work in accordance with the principles of democratic centralism and conscientiously accept the supervision by the organization and the masses.

He hoped that party committees and organization departments at various levels will put it on the top of their agenda to bring up young leaders, to encourage them to work bravely and to give full play to their talent.

Some 200 young leaders from the country's provinces, municipalities and autonomous regions, as well as young leaders from departments and institutions under the CPC Central Committee and state ministries attended the meeting which was sponsored by the Organization Department of the CPC Central Committee.

'Conservative Line' Stressed

HK1101063793 Hong Kong SOUTH CHINA MORNING POST in English 11 Jan 93 p 8

[Article by Willy Wo-lap Lam]

[Text] The member of the politburo Standing Committee in charge of organisation, Mr Hu Jintao, has toed a conservative line on the propagation of young leaders. In a speech in Wuhan on the education of young cadres, Mr Hu put "a correct political direction" and a "Marxist standpoint" as foremost criteria for excellence as well as promotion.

Mr Hu, 50, was taking part in a national "conference to exchange experience in the training and maturation of young cadres". A former party boss of Tibet, Mr Hu was elevated to the supreme politburo Standing Committee last October to take charge of personnel and discipline.

On the qualities for leadership, Mr Hu asked young officials to "insist upon a correct political orientation, and to resolutely go down the road of socialism with Chinese characteristics". "Cadres should have the requisite theoretical attainments, so that they can use the Marxist standpoint, perspective and methods to correctly learn about and solve problems," he said.

While the politburo heavyweight cited the importance of modern management and the need to "liberate one's thoughts", he underscored traditional values like "plain living and hard struggle as well as selfless dedication". And while Mr Hu asked the neophytes to break new grounds, he also admonished them to inherit and develop the superior tradition of the party.

Political analysts said the conservative nature of Mr Hu's remarks was evident when they were compared with talks given by patriarch Mr Deng Xiaoping while he was touring southern Guangdong a year ago. While talking about propagating talents, the patriarch underscored the importance of selecting cadres with "solid reformist credentials" who were willing to break with the past.

Mr Deng urged officials to put their priority on fighting leftism and outdated ideology. The analysts said that, while Mr Hu was sometimes identified as a reformist because of his association with the Communist Youth League, he was a protege of his predecessor as politburo member in charge of organisation, Mr Song Ping. A veteran hard-liner, Mr Song has tried to resist Mr Deng's goal of promoting a large number of radical, market-oriented reformists.

Ren Jianxin Says Courts Should Protect Reformists

HK1101023393 Beijing ZHONGGUO XINWEN SHE in Chinese 0920 GMT 21 Dec 92

[By reporter Tang Dianwei (0781 0368 0251): "Ren Jianxin Says People's Courts Should Protect Reformists"]

[Text] Beijing, 21 Dec (ZHONGGUO XINWEN SHE)—The people's courts should protect reformists, encourage explorers, help those who have made mistakes, and impose sanctions on law-breakers, Ren Jianxin, CPC Central Committee Secretariat secretary and concurrently Supreme People's Court president, stressed here today.

He said that regarding matters of ideological understanding, different opinions and even deviations in work practice should not be arbitrarily said to be "leftist" or rightist in political tendency.

Addressing senior officials of people's courts at all levels attending a work conference on people's courts today, Ren Jianxin said that for people's courts, vigilance against rightism lies chiefly in guarding against the long-term nature and complexity of class struggle within a certain realm, and against the negation of the necessity and importance of a severe crackdown on serious criminal activities; whereas vigilance against "leftism" lies chiefly in guarding against work in hearing and ruling deviating from the center of economic construction, while pursuing "taking class struggle as the key" in any slight disturbance; against arbitrarily meting out penalties and illegally violating the legitimate rights and interests of the masses and interested parties; and against viewing and handling proper new things surfacing in reform and opening up as criminal cases using outmoded concepts.

He required people's courts at all levels to promptly handle those cases involving jeopardizing reform and retaliating against and injuring enterprise leading members and reform. Regarding cases of economic crime, the principle is "being resolute and meticulous, and accurate at all times," while paying special attention to differentiating between being guilty and not guilty; regarding those cases that involve mistakes resulting from ambiguity in laws and policies, or bold reform and action in production operation or activities in science and technology, they should not be easily dealt with as crimes, and as to those enterprise managerial personnel, scientists and technicians who have all along done well in their work or made outstanding contributions committing minor offenses and with a satisfactory attitude in confessing their crimes, leniency should be shown them in handling their cases according to the law. Those who need to have sentences meted out to them can have them temporarily suspended, so as to be helpful to production operation as well as scientific and technological research.

It was learned that the work conference on peoples' courts, which is held once every several years, would discuss the "Organizational Law for People's Courts" (revised draft), "the issue of organizational reform of people's courts at all levels," and the "Provisional Regulations on Establishing Hearing and Ruling Organs in Development Zones and Tax-Free Zones."

Law Firms Reportedly Told Not To Represent Dissidents

HK1001082093 Hong Kong HUA CHIAO JIH PAO in Chinese 10 Jan 93 p 4

[Report by staff reporter Huang Wan-chien (7806 8001 0578): "Wang Shengli and Liao Jiaan, Who Are Charged With Distributing Leaflets To Mark the 4 June Incident, Cannot Find Any Lawyers To Defend Them"]

[Text] [No dateline as published]—Wang Shengli [3769 0524 0448] and Liao Jiaan [1675 1367 1344], both graduate students in the Department of Philosophy at the Beijing Chinese People's University, who had been arrested on the campus on 8 June last year, were prosecuted last November by the Beijing municipality people's procuratorate on a charge of "counterrevolutionary propaganda and inflammatory delusion." The Beijing municipality people's court will hear their case soon, but the families of the two defendants have found it difficult to find lawyers to defend them.

The principal charge against Wang and Liao is that they distributed approximately 1,000 mimeographed leaflets at Beijing University's Foreign Students Dormitory No. 46 on the morning of 28 May 1991 and hung from an upper floor of the dormitory a large banner carrying the slogan "We Have Not Forgotten 4 June." This case, known as "the Beijing University 28 May incident," caused a great sensation both at home and abroad.

After the incident occurred, CPC General Secretary Jiang Zemin delivered a sternly worded speech referring to institutes of higher learning and the Ministry of Public Security. RENMIN RIBAO also carried a long feature with the intention of hinting at "foreign students' involvement" in the "28 May incident," which is still fresh in the readers' memory today.

Wang and Liao remained at large until 8 June last year, a year after the incident. Their capture was the result of much painstaking effort on the part of the public security authorities. Wang's and Liao's families were advised to hire defense counsels in late November last year; however, they have failed to find any in Beijing after trying for a month and a half.

According to an informed source, the Beijing municipality judicial authorities have sent a circular to every law firm in Beijing (including a law office situated on the Chinese People's University campus), warning them not to serve as Wang's and Liao's defense counsels.

As both Wang Shengli and Liao Jiaan are far less well-known than those "culprits involved in the 4 June incident," there are grave doubts about whether their case will receive a "public trial."

Circular Urges Stepped-Up Checking of ID Cards

OW1101002493 Beijing XINHUA Domestic Service in Chinese 1001 GMT 5 Jan 93

[Text] Beijing, 5 Jan (XINHUA)—The Ministry of Public Security and thirteen other ministries and commissions issued a joint circular the other day on stepping up the use and checking of resident identification cards, to take full advantage of social benefits and to better meet the needs of the reform and opening up situation.

The circular points out: The resident identification card is an official state document for certifying the identity of individual citizens. Departments should instruct their subordinate enterprises and institutions to formulate, institute, or amplify the necessary rules and regulations in the light of the characteristics of their functions. They should check citizens' resident identification cards when the latter go through procedures in their political, legal, economic, and social activities relating to their rights and obligations as citizens; and make the checking of resident identification cards an institutional and standardized system.

The circular asks all departments to use the data on the citizen's resident identification card—such as name, sex, nationality, date of birth—in their vocational work, in the issuance and registration of relevant documents, registers, certificates, forms, bills, instruments, and cards relating to citizens' rights and interests.

The circular further specifically names the following 23 categories of business relating to citizens' rights and interests where the relevant departments are required to check the resident identification cards: 1) Registering as a voter; 2) signing on for military service; 3) registering marriage; 4) registering adoptions; 5) enrolling at schools of higher education at all levels and in all categories; secondary vocational, specialized, or technical schools; or regular universities and colleges; 6) undergoing employment and retirement procedures, conducting personnel management, and applying for social insurance; 7) handling notarization matters; 8) taking part in litigation; 9) applying for a license to operate an individually run commercial or industrial business or enterprise; 10) applying for individual credit loans; 11) handling household property and life insurance matters; 12) drawing social relief payments and applying for status of households enjoying five guarantees—food, clothing, medical care, housing, and burial expenses; 13) going through the formalities of boarding a civil aircraft and handling—including claiming—freight and baggage shipment matters; 14) handling and claiming railway, highway, and waterway freight and baggage; 15) registering at a hotel (hostel, reception centers); 16) withdrawing remittances and claiming mail; 17) withdrawing time savings

deposits before their date of maturity, withdrawing savings in another locality, reporting the loss of deposit receipts, bank books, or personal stamps; or cashing, by a person without an account with the bank, money orders, bank drafts, receipt of remittance, cashier's checks, or traveler's checks; or purchasing stocks by individuals; 18) applying for credit cards or purchasing goods, paying bills, or drawing cash from banks with credit cards; 19) handling tax payment registration and other related matters; 20) consigning articles for sale on commission or through auctions; handling mortgaging and leasing, or selling productive scrap metals; 21) handling a printing business; 22) having personal stamps engraved; and 23) other businesses where the departments consider it is necessary to ask citizens to produce their resident identification cards to prove their identity.

The circular also contains the following provision on handling matters concerning citizens' rights and interests for those who are not issued a resident identification card in accordance with law as well as those who should have applied for a resident identification card but haven't received it: Citizens who have not reached the age of 16 shall prove their identity with household registers or student identification cards. Members of the People's Liberation Army, armed policemen corps, civilian cadres, retired military cadres shall produce their officer, policeman, civilian employee, or retired military cadre ID cards to prove their identity. Citizens who should have applied for a resident identification card but haven't received it yet, those who have lost their resident identification card or whose card has been obliterated and are in the process of applying for a new resident identification card, and citizens over the age of 16 whose status as permanent residents has not yet been established, shall use a temporary resident identification card as a proof of their identity.

The circular urges personnel of the relevant departments to have a greater sense of responsibility for their work of checking the resident identification card. They are required to carefully examine the picture on the resident identification card, essential identity data on it, relevant registration information, and the card's serial number as well as the authenticity of the card itself.

The thirteen other units that jointly issued the circular are: The State Education Commission, Ministry of Civil Affairs, Ministry of Justice, Ministry of Labor, Ministry of Railways, Ministry of Posts and Telecommunications, Ministry of Commerce, Ministry of Communications, the People's Bank of China, Civil Aviation Administration of China, National Tourism Administration, State Administration for Industry and Commerce, and the State Administration of Taxation.

Wang Ruisheng Article on Nature of Socialism

HK1101031093 Beijing RENMIN RIBAO in Chinese
18 Dec 92 p 5

[Article by Wang Ruisheng (3769 6904 3932): "Have a Correct Understanding of the Nature of Socialism"]

[Text] "The nature of socialism is to emancipate and develop productive forces, eliminate exploitation and polarization, and eventually realize common affluence among all people."

This thesis on the nature of socialism is of great theoretical and practical significance.

Its theoretical significance lies in the point that it prominently stresses the emancipation and development of productive forces, and this is the fundamental point in the nature of socialism. In the past, when talking about the nature (or essential characteristic) of socialism, people only used to describe various features of the socialist system, such as public ownership, distribution according to work, planned economy, the leadership of the communist party, the dictatorship of the proletariat, and socialist spiritual civilization, but they used to neglect the above-mentioned fundamental point in the nature of socialism.

Why is this a fundamental point? This is because materialist dialectics holds that the nature of a social entity cannot be found only within itself. A socioeconomic form is the summation of production relations, and its nature can only be found from its connection with productive forces in reality. The productive force constitutes the content of the production activity, while the relations of production constitute the form of the production activity. Without considering the interaction of the form and the content, we will not be able to grasp the nature of the form. Only by observing things according to such a methodology can we grasp the real nature of socialism, and this is the historical grounds for the existence of socialism. According to historical materialism, the objective reason why socialism can replace capitalism in history lies in the point that if the capitalist ownership system which seriously hinders the development of productive forces is not replaced by some new relations of production, the civilization (productive forces) achieved by mankind may be lost. Thus, the appearance of socialism is determined by this historical inevitability. The grounds for the appearance of socialism lie in its social function in emancipating and developing the productive forces, which are shackled by capitalism. In terms of philosophy, the nature of a thing is the grounds for the existence of that thing. Since the ability to emancipate and develop productive forces is the historical grounds for the existence of socialism, then it is also its fundamental nature.

Some people may say that before the appearance of socialist society, new production relations (socioeconomic forms) also played a role in emancipating and developing productive forces; if we take this as the nature of socialism, may the nature of these two types of society be confused? In our opinion, the scientific understanding of the nature of socialism should take "the emancipation and development of productive forces" and "the elimination of exploitation and polarization" as inseparable parts of the whole. Thus, when we talk about "emancipating productive forces," we also refer to

the emancipation of the productive forces being shackled by capitalism through the elimination of exploitation. The issue of confusing the nature of two types of society does not exist.

On the other hand, we may also relatively divide the internal structure of this statement into two tiers. "Emancipating and developing productive forces" forms the first tier; and "eliminating exploitation and polarization, and eventually realizing common affluence among all people" forms the second tier. The relationship between the two parts is that the latter constitutes the special form and channel for the realization of the former. As all people know, when the slave-owning system, feudal system, and capitalism appeared as new socioeconomic forms and as production relations in keeping with the then developing productive forces, they all played a role in emancipating and developing productive forces. However, when performing such a function, they just replaced a specific outmoded form of exploitation with another specific form of exploitation. However, socialism does not perform the function of emancipating productive forces with any other form of exploitation. The form and channel of performing its function is "the elimination of exploitation and polarization."

If we say that the "elimination of exploitation" is the form and channel of socialism for "emancipating productive forces," then in terms of values, the channel may be changed into the (value) target, and the means of achieving this value target is to emancipate productive forces. This is because for the proletariat and the entire human race, the value of socialism lies in the elimination of exploitation and polarization and the eventual realization of common affluence.

Its practical significance lies in the following points:

First, it helps us understand the fundamental task of socialism and firmly carry out the party's basic line. In the past, there were various incorrect understandings of the nature of socialism. Some people took the nature of socialism as purely theory and morality (so-called "ethical socialism"). As a result, socialism was turned into a utopian and imaginary thing. Some people took socialism as a form of class struggle, and advocated unconditionally that in order to prevent the so-called "restoration of capitalism," economic development may be sacrificed (and they said that they would prefer "socialist grass" to "capitalist crops"). Such a concept of "socialism" that set "class struggle" against the development of productive forces just brought disaster to the people. In order to gain a scientific understanding of the nature of socialism, we must put it on the basis of the movement of the contradiction between productive forces and production relations in reality. Only thus can we correctly understand the fundamental task in the historical period of socialism—emancipating productive forces (at present, emancipating the part of productive

forces being shackled by the old systems through the economic structural reform) and developing productive forces.

Second, it helps us clear up confusion and perplexity in our minds and thus quicken the pace of reform and opening. Since "the nature of socialism is to emancipate and develop productive forces..." when assessing the merits and demerits in our work in various fields (especially our work in the economic structural reform), we should see whether what we have done is favorable to the development of productive forces in socialist society, whether it is favorable to increasing the comprehensive national strength of the socialist country, and whether it is favorable to the enhancement of the people's living standards. According to this criterion, if a management and operation system cannot promote the development of productive forces or even hinders and damages productive forces, then even though its degree of public ownership is very high, it still cannot be regarded as in keeping with the nature of socialism at the present stage. This may remove various misgivings in people's minds when reform and opening are quickened.

Science & Technology

Song Jian Names Top Scientific Researchers

OW0901125693 Beijing XINHUA in English 1224 GMT 9 Jan 93

[Text] Beijing, January 9 (XINHUA)—Song Jian, state councillor and minister of the State Commission of Science and Technology, appointed 26 Chinese researchers as the country's top scientists in 20 research fields here today. The researchers are:

Professor Wu Wenjun as top scientist in the study and application of proving theorems with the aid of computer programs;

Professor Su Zhaobing as top scientist in theoretical physics;

Professors Yan Dongsheng and Feng Duan as top scientists in nano-size materials science;

Professor Zou Chenglu as top scientist in nascent peptide chain and protein folding;

Professor Tu Guangzi as top scientist in fundamental research into the search for super-large mineral deposits;

Professor Hou Xun as top scientist in femtosecond laser techniques and ultra-fast processes;

Professor Sun Honglie as top scientist in research into forecasting and measures to meet changes and trends on the Qinghai-Tibet Plateau;

Professor Wu Min as top scientist in molecular biology research on malignant disease mechanisms;

Professor Gui Linlin as top scientist in research on the molecular engineering of functional materials;

Professor Yang Xiongli as top scientist in fundamental research into brain functions;

Professor Qian Renyuan as top scientist in fundamental problems of solid state physics;

Professors Li Qibin and Qu Qinyue as top scientists in multi-frequency band observation and research into the activities of celestial bodies;

Professors Chen Lin, He Zhenya and Dai Ruwei as top scientists in the problems of cognitive sciences;

Professor Lou Nanquan as top scientist in the field of state-to-state reaction mechanics;

Professor Shi Shaoxi as top scientist in high efficiency and low pollution burning process of coal and oil;

Professors Xu Guangxian and Ni Jiazhan as top scientists in fundamental research on rare-earth materials;

Professor Lou Chenghou as top scientist in high-yield and high-efficiency physiology research as concerns major Chinese crops;

Professor Wu Dexin as top scientist in nano-structure devices and mesoscopic physics;

Professor Li Jingxiong as top scientist in fundamental research into male sterility hybrid vigor of grain, cotton and oil bearing crops; and

Mr. Cheng Xinnong and Mr. Hu Xianglong as top scientists in research into acupuncture meridians.

Attends Achievement Awards Ceremony

OW1101121193 Beijing XINHUA Domestic Service in Chinese 0948 GMT 7 Jan 93

[By reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 7 Jan (XINHUA)—The winners of the 1992 National Top 10 Scientific and Technological Achievements Awards were announced today.

The State Science and Technology Commission, RENMIN RIBAO, KEJI RIBAO, GUANGMING RIBAO, the Central Television Station, and the Central People's Broadcasting Station presented awards and medals to units responsible for the top 10 scientific and technological achievements. Song Jian, Ai Zhisheng, Xu Weicheng, Li Xiaoshi, and others attended today's award ceremony.

Song Jian said: Many of our scientific and technological results have achieved world levels. In terms of intelligence, Chinese scientific and technological personnel are not inferior to their counterparts in other countries. Our most urgent task in the 1990's is to approach or even overtake the world's advanced level in some important fields and to promote the scientific and technological

level of the Chinese nation as a whole. Particularly, we should organize and mobilize thousands upon thousands of our scientific and technological personnel to work on the frontline of developing a socialist market economy and make an all-out effort in commercializing their scientific and technological results and in selling them to domestic and international markets.

The top 10 scientific and technological achievements are as follows: the YH-2 Giant Computer, Victory II Shallow Movable Oil Well Drilling Platform, the first combination of new nucleins PT202, HF tau 185, and HG208, the success of precision measurement of a tau lepton mass, emulation technology of large-sized heat power units, "dihydroartemisinin" and its tablet form, the discovery of barley's mild mosaic virus in cereal's mediator of slime fungi and its multiplication research, Baiyun's Ebo project of using new technology of weak magnetic-strong magnetic flotation of symbiotic ore of multimetals; Baoshan Steel Company's No. 2 Blast Furnace, and solution of Sitannabi (2448 0982 4780 3024) conjecture.

Wen Jiabao Stresses Scientific Research

OW1101033793 Beijing XINHUA Domestic Service in Chinese 0903 GMT 6 Jan 93

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 6 Jan (XINHUA)—While inspecting work at the State Natural Sciences Foundation on 5 January, Wen Jiabao, alternate member of the Political Bureau of the CPC Central Committee and member of the CPC Central Committee Secretariat, spoke on the need to improve and develop our country's scientific foundation and to promote the development of natural sciences. He pointed out the need to further enhance basic research and to strengthen ties between basic research, and scientific and technological application and development.

Zhang Cunhao and Hu Zhaosen, chairman and vice chairman of the State Natural Sciences Foundation, respectively, briefed Wen Jiabao on foundation's work. Wen Jiabao also talked with famous scientists including Zhu Guangya, Hou Xianglin, Shi Changxu, Wang Ren, Zhao Yufeng, Sun Honglie, Ding Shusun, Lu Liangshu, and Tang Youqi.

Wen Jiabao said that the further strengthening of basic research and of basic applied science research will have great significance on realizing the tasks put forward at the 14th CPC National Congress, on realizing the second-step strategic goal; on switching onto the track of relying on scientific and technological progress; and on raising workers quality in economic construction. The rapid development of the new scientific and technological revolution in the modern world has greatly shortened the cycle between basic research, and application and development; in some cases, there is even a trend of combining the basic research, and application and development. This increasing trend of combining scientific,

technological, and economic development has made basic science a major factor in promoting social and economic progress.

Wen Jiabao said the state will step up formulation of policies to promote basic research. The state will take steps to prevent the brain drain through creating favorable working conditions and by offering good living conditions for those engaged in basic research. To enable them to display their talents, the state will create projects and arrange suitable positions for them. The state will also seek to secure funds needed for basic research. Only by holding onto talented individuals, creating projects, and securing research funds, can we help develop basic research. At the same time, it is necessary to promote application and development, to encourage scientific and technological personnel to be actively involved in economic construction, and to promote the conversion of science and technology into productive forces. We should persist in the policy of relying on science and technology to develop the economy, and of making scientific and technological work oriented toward economic construction. There is also the need to step up reforming and improving the management system and operating mechanisms of scientific and technological developments, and of converting scientific and technological research into products. Special attention should be paid to devising proper ways to solve the problems which might arise in the course of application, development, and the commercialization of scientific results.

He pointed out that basic scientific research is the source of and the prerequisite for the application and development of science and technology. In this connection, basic research has a close relationship with the application and development of science and technology. Those who are engaged in basic research are not only required to study the basic law of nature but also need to solve the basic scientific problems encountered in the application and development of science and technology, and in economic construction.

Wen Jiabao said that our country's natural sciences foundation is the outcome of scientific and technological structural reform, which is applying scientific and democratic management methods to the management of science and technology. It is necessary to seriously sum up the 11 years of our country's practicing a scientific foundation, in particular to sum up the seven years of experience since the establishment of the State Natural Sciences Foundation; to conscientiously explore ways to develop and improve the science foundation system under the structure of a socialist market economy; and to further optimize the structure of basic research.

In addition to continuously doing a good job on evaluating and promoting previous research projects, Wen Jiabao suggested that the foundation pay attention to promoting some major research projects of strategic significance on a selective basis. He also called on the foundation to stress concerted efforts; to enhance ties between different disciplines and different levels of basic

research; to strengthen ties between basic research, and application and development; and to extend the reach of basic research to all areas of application and development.

Li Peng, Zhu Rongji, Others Mourn Scientist's Death

OW1101131293 Beijing XINHUA Domestic Service in Chinese 0227 GMT 8 Jan 93

[Excerpts] Beijing, 8 Jan (XINHUA)—Comrade Jiang Shengjie, a notable scientist who had made conspicuous contributions to the development of China's chemical industry and nuclear industry, particularly the development of guided missiles and atomic bombs, died at the age of 77 in Chongqing on 28 December 1992 after suffering a heart attack on a business trip and after all rescue measures proved ineffectual.

Li Peng, Zhu Rongji, Zou Jiahua, Zhang Aiping, Peng Chong, Yan Jici, Song Jian, Fang Yi, and others sent wreaths or elegiac couplets. [passages omitted]

Commission Focuses on Exploring Technology Market

HK1101093093 Hong Kong CHING CHI TAO PAO in Chinese Nos 1-2, 1 Jan 93 pp 80-81

[From "China Economic News" column: "State Science and Technology Commission Defines Focuses of Work on Exploration of Technology Market"]

[Text] The State Science and Technology Commission recently defined the following work focuses in the exploration of the technology market:

1. The exploration of introducing the market mechanism into the scientific and technological planning and management system. At present, the commission is starting with the introduction of the market mechanism into the "Torch," "Spark," "Tackling Science and Technology," "863," and other scientific and technological programs, and these programs will be turned into commodities as quickly as possible through such forms as inviting tenders, signing contracts, and undertaking responsibilities. The first programs to be carried out by using the market mechanism will be "Spark," "Key Technological Dissemination," and so on.

2. The perfection of the building of statutes concerning the market mechanism and preferential policies on finance and taxation. The commission will put forth rules and regulations and their detailed provisions on the management of technology markets, technology advertisements, and technology trade fairs. In the meantime, it will coordinate with relevant departments in the formulation of preferential policies for turning large and medium-sized enterprises into dual principal bodies [shuang xiang zhu ti 7175 0686 0031 7555] of buyers and sellers in the market.

3. The positive supporting of technological intermediary organs. The commission will take scientific and technological development centers of various provinces, cities, ministries, and commissions as the key links and guide them in expanding their social functions and advancing in the direction of becoming technological, economic, and trade organs with the capacity for intermediate experiment [zhong jian shi yan 0022 7035 6107 7526] and technology incubation [ji shu fu hua 2111 2611 1335 0553].

4. The formation of a national technology market information network. The system will define our own organizational setup and operational mechanism, and store all major technological achievements of various localities into the information bank, and at the same time be linked with the Asia-Pacific information network.

5. The proper handling of the experiments on rural technology markets in Jiangxi, Hunan, Sichuan, Shanxi, Shaanxi, and Liaoning, and experiments on revitalizing large and medium-sized enterprises in Shenyang City using the technology market mechanism.

Scientist Succeeds in Ion Collision Research

OW1101133893 Beijing XINHUA in English 1220 GMT 11 Jan 93

[Text] Harbin, January 11 (XINHUA)—China has mastered the best way available to imitate the beginning of the universe by developing its research of high-energy large ion collision to the advanced international level.

The physical research was one of the several key projects sponsored by the National Fund of Natural Science. The project was directed by Liu Yiming, professor of the Harbin Polytechnical University in Heilongjiang Province, northeast China.

Liu's research achievements passed the appraisal organized by the Chinese Academy of Sciences last year. Experts said that the research has reached the most advanced level in the world and leads the field in some aspects.

In 1988, Liu set up a state-funded computer center in the university to analyse results of experiments and improve theories on large ion collision. His research team has published 55 theses in four years.

During his study in the United States from 1981 to 1986, he made a breakthrough in the field of high-energy large ion collision, which is a frontier study.

Genetic Engineering Used To Develop New Vaccine

OW1001135193 Beijing XINHUA in English 1220 GMT 10 Jan 93

[Text] Shanghai, January 10 (XINHUA)—China has developed a new type of vaccine against hepatitis A.

The Shanghai Biochemical Institute under the Chinese Academy of Sciences in this east China city developed the new vaccine by using genetic engineering technology.

The vaccine can create hepatitis virus antigen two to three days after it is injected into the body. It has a lower risk of infection and much better effect than the existing kinds of live vaccines against hepatitis A.

The Shanghai institute has also developed a new antigen of hepatitis B by using genetic engineering methods.

The institute has expressed its willingness to cooperate with overseas medical institutes to develop a new generation of vaccines, including institutes from the United States which have shown great interest in genetic engineering methods.

Science, Technology Association Starts Publication

OW0901191693 Beijing XINHUA Domestic Service in Chinese 0916 GMT 7 Jan 93

[Text] Beijing, 7 Jan (XINHUA)—ZHONGGUO KEXIE BAO [CHINA SCIENCE AND TECHNOLOGY ASSOCIATION NEWS] started publication today. It is a newspaper sponsored by the China Association for Science and Technology. Its purposes are to rely on scientific and technological organizations and mass organizations to publicize the notion that science and technology are the primary productive forces, to publicize the respect for knowledge and talented people, to promote the popularization and application of science and technology, and to promote scientific and technological prosperity and scientific spirit.

While the paper is mainly intended for scientific and technological circles, it is also for leading cadres and the general public to read. It will strive to gradually increase its contents to meet the needs of the science and technology associations of industrial and mining enterprises, townships, and towns. At present, it is published weekly in a four-page folio format.

Military

Yanan Rally Marks Double Support Anniversary

OW1001124293 Beijing XINHUA Domestic Service in Chinese 0945 GMT 10 Jan 93

[Report by correspondents Qin Weidong (4440 5898 2639) and Luo Yuwen (5012 3768 2429)]

[Text] Xian, 10 Jan (XINHUA)—With the approval of the party Central Committee, the State Council, and the Central Military Commission, the National Leading Group for Double-Support Work, the Ministry of Civil Affairs, and the People's Liberation Army's [PLA] General Political Department today held a rally in Yanan to grandly commemorate the 50th anniversary of the double-support movement. Leading party, government, and

military comrades as well as representatives of advanced models in double-support work from various parts of the country joined the people of Yanan in observing the fine tradition of double-support work; they also joined in discussing plans for successfully carrying out double-support work during the new period, and for consolidating and expanding the unity between the army and the government and between the army and the people.

Zou Jiahua, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, chaired the commemorative rally.

On behalf of the party Central Committee, the State Council, and the Central Military Commission, Liu Huaqing, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, delivered an important speech. He said: The practice of supporting the army, of giving preferential treatment to the families of revolutionary soldiers and martyrs, of supporting the government, and of cherishing the people is an important magic weapon to ensure success in our country's revolution and socialist cause. During the important historic period in which the program of reform, opening up, and modernization is being carried out extensively, the practice of launching extensive, intensive, and persistent activities aimed at supporting the government, cherishing the people, supporting the army, and giving preferential treatment to the families of revolutionary soldiers and martyrs is a plan of fundamental importance for maintaining long-term peace and stability in the country, as well as an important political condition for achieving the strategic objective of "three-step" development. The same is true with the practice of consolidating and expanding the unity between the army and the government and between the army and the people. Leading party, government, and military comrades at all levels must fully understand the strategic implications of double-support work, must treat relevant work as a strategic task for safeguarding the country's stability and development, and must carry it out steadfastly. In his speech, he urged soldiers and people throughout the country to rally more closely around the party Central Committee with Jiang Zemin at the core; share weal and woe; and constantly score new victories in the cause of building socialism with Chinese characteristics while following the guidelines of the 14th National Party Congress.

Chen Junsheng, state councillor and head of the National Leading Group for Double-Support Work, delivered a report on double-support work. He recounted the glorious history of 50 years ago, in which soldiers and people in Yanan launched the double-support movement on the initiative of Mao Zedong and other revolutionaries of the older generation. He also reviewed nationwide achievements in supporting the army, in giving preferential treatment to the families of revolutionary soldiers and martyrs, in supporting the government, and in cherishing the people over the past several decades. He noted: In the 14 years since the introduction

of reform and opening up, our country has inherited and improved upon the tradition of double-support work, has made progress in this work during the course of reform, and has initiated a new development phase for relevant work as it adapts to the shift in focus of the entire party's work. The broad masses of soldiers and people have cooperated extensively and have made common progress on the main front of economic construction.

On behalf of Shaanxi Province and the Lanzhou Military Region, Zhang Boxing, secretary of the Shaanxi Provincial Party Committee, and Cao Pengsheng, political commissar of the Lanzhou Military Region, delivered congratulatory messages on the opening of the commemorative rally.

At the rally, Minister of Civil Affairs Cui Naifu read a decision to designate national model cities (counties) in double-support work. Leading party, government, and military comrades awarded plaques to the representatives of 56 newly named model cities (counties) in double-support work.

Participants in the rally included Sun Qimeng, Ma Wenrui, Yu Yongbo, and responsible comrades from the CPC Central Committee, relevant state ministries and commissions, the three PLA general departments, Shaanxi Province, the Lanzhou Military Region, the Shaanxi Provincial Military District, and Yanan.

Chen Junsheng Addresses Gathering

OW1001184393 Beijing XINHUA Domestic Service in Chinese 1210 GMT 10 Jan 93

[Text] Xian, 10 Jan (XINHUA)—Chen Junsheng, state councillor and head of the national leading group for the double-support work [to support the army and give preferential treatment to families of military personnel and revolutionary martyrs, and to support the government and cherish the people], pointed out in his report at a meeting today marking the 50th anniversary of the double-support campaign: Since the Third Plenary Session of the 11th CPC Central Committee, we have made great achievements in the double-support work across the country. The strong Army-government unity and Army-people unity have played an important role in maintaining stability and promoting socialist modernization in our country.

According to him, the achievements are shown first in the comprehensive cooperation and joint efforts between military personnel and people in the main battlefield—economic construction. The People's Liberation Army [PLA], working for the interest of the whole, has reduced its strength by 1 million troops. It has turned over some military installations and transferred some scientific achievements and technology to the civilian sector. It assumes the responsibility for building key construction projects; helps the poor in old revolutionary base areas, minority nationalities regions, frontier regions, and poor areas; and actively supports and participates in the

country's economic construction. Statistics show that since the start of reform and opening up, the PLA has contributed more than 400 million man-days of labor and taken part in building more than 80,000 key construction projects. All progress made by China in the development of productive forces contains the PLA's contributions and sacrifice. Local party committees and governments at various levels and people of all nationalities vigorously supporting Army building, have made great efforts to give special care to disabled servicemen and to families of revolutionary martyrs and servicemen, enthusiastically provided the PLA with outstanding recruits, and resettled and placed 6.45 million Army veterans and retirees. Military personnel and the people have cooperated in combating natural disasters for over 1,000 times, fully displaying the superiority of the socialist system and erecting one monument after another in the history of combating the natural calamities of mankind.

Chen Junsheng said: The double-support work also shows a new atmosphere in the joint Army-people campaign to build a socialist spiritual civilization and in the joint Army-people efforts to give civilian job skill training to servicemen across the country. There are more than 30,000 stations for the joint campaign in China's urban and rural areas, and over 1 million army veterans with civilian job skills are working actively on various fronts of China's economic development. The widespread campaign to build model double-support cities (counties) shows the strong aspirations of millions upon millions of military personnel and people for stability and unity. The campaign meets the needs of China's reform, opening up, and economic development and displays a great vitality. It has combined the leaders' initiative and the masses' creativity and has integrated the development of productive forces with the enhancement of the troops' combat effectiveness. It has greatly raised the overall standards of the double-support campaign.

Chen Junsheng pointed out: The unity and mutual support between the military personnel and the people across the country have played an important role in maintaining peace and national dignity in the frontier regions and in ensuring a smooth proceeding of China's reform and opening up.

Liu Huaqing Speaks

OW1001222693 Beijing XINHUA Domestic Service in Chinese 1215 GMT 10 Jan 93

[Text] Xian, 10 Jan (XINHUA)—Liu Huaqing, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, emphasized today at a meeting marking the 50th anniversary of the double-support campaign [the campaign to support the Army and give preferential treatment to families of military personnel and revolutionary martyrs and to support the government and cherish the people]: It is necessary to

carry out further the double-support campaign and to improve further the double-support work to accelerate reform, opening up, and the modernization program.

Liu Huaqing pointed out in his speech: Supporting the Army and giving preferential treatment to families of military personnel and revolutionary martyrs and supporting the government and cherishing the people are fine traditions fostered and constantly enriched among China's military personnel and people in the long course of revolution and construction. They are a vivid manifestation of the distinctive character of the People's Army and the People's Republic, as well as an important magic weapon for China's revolution and socialist cause to triumph. At present, the whole party, the whole Army, and the people of all nationalities across the country are thoroughly studying and seriously implementing the guidelines of the 14th CPC National Congress and are comprehensively promoting reform, opening up, and modernization. At such an important time, it is particularly of great significance to carry out widespread, thorough, and protracted activities in supporting the government and cherishing the people and in supporting the Army and giving preferential treatment to families of military personnel and revolutionary martyrs, and to enhance the excellent situation of unity and mutual support between the Army and the government and between the Army and the people. General Secretary Jiang Zemin recently emphasized again that the double-support work is very important and we must do it well. According to this demand, party, government and Army leading comrades at all levels must fully understand the strategic significance of the double-support work and include it in the overall plan for economic and social development and Army building. Ensuring that the main objective of the double-support work is to promote reform and opening up, develop the productive forces, and enhance the troops' combat effectiveness, leading comrades should constantly discuss the work, pay attention to it, and gradually turn it into a day-to-day task of the whole society.

Liu Huaqing said: The People's Army is an important force for socialist modernization. It should conscientiously subordinate itself to our country's economic construction. While striving to accomplish the combat readiness training tasks, it should actively participate in and support the construction of key state projects, the farmland and water conservancy capital construction, and the construction of public welfare projects. It should take an active part in improving public order, bravely participate in dealing with emergencies and helping the people tide over natural disasters, and make new contributions to protecting state property and people's lives and to promoting the building of the two civilizations. Party committees and governments at all levels should deem it their bound duty to support the Army's reform and building and enthusiastically help the People's Liberation Army units in their localities overcome difficulties with respect to combat readiness, military duties, education and training, construction of national defense

projects, and scientific research. Party committees and governments should earnestly do a good work in resettling and placing Army veterans and retirees, seriously help them move their families, find jobs and schools for their dependents, give special care to disabled servicemen and to families of revolutionary martyrs and servicemen, and create favorable conditions for improving the Army's quality and enhancing its overall combat effectiveness.

Liu Huaqing described the joint Army-people campaign to build model double-support cities (counties) as a new creation of the double-support work in the new period, and praised it for having great vitality. While urging all localities to make great efforts to carry on the campaign, he called on the military personnel and the people to painstakingly protect Army-government and Army-people unity as they do their eyes, and to work together in writing a new chapter of joint Army-people efforts to build the two civilizations.

Chen Xitong, Deng Lique at Beijing Rally

OW1001004793 Beijing XINHUA Domestic Service in Chinese 0949 GMT 5 Jan 93

[By reporter Xu Renjie (1776 0088 2638)]

[Excerpts] Beijing, 5 Jan (XINHUA)—More than 6,000 Beijing residents, and commanders and fighters of the People's Liberation Army [PLA] and the people's armed police corps stationed in Beijing gathered at the Great Hall of the People this afternoon to ceremoniously commemorate the 50th anniversary of the double-support campaign [support the government and cherish the people, support the army and give preferential treatment to families of revolutionary army men and martyrs] which was initiated and launched by the party Central Committee in the border areas surrounding Shaanxi, Gansu, and Ningxia. [passage omitted]

Attending today's meeting were relevant leaders from the Ministry of Civil Affairs, the national general office of double-support work, the three PLA headquarters, the people's armed police corps, and Beijing Municipality, including Chen Xitong, Chen Hong, and Deng Lique.

At the meeting, the Beijing municipal party committee, municipal government, and the Beijing PLA garrison also conferred titles of "Double-Support Models" to nine districts and counties including Chongwen District.

Beijing Said To Build Three Large Naval Bases

OW1101120993 Tokyo KYODO in English 1151 GMT 11 Jan 93

[Text] Beijing, Jan. 11 KYODO—China plans to expand its naval capabilities beyond coastal waters by building three large naval bases along its eastern seaboard by 1998, Chinese military sources said Monday [11 January].

The new bases will provide key logistical support to a new-look Chinese fleet capable of oceangoing operations, the sources said.

The plans are contained in a naval inspection report drafted last July by the General Logistics Department of the People's Liberation Army, according to the sources who said they saw the document.

The report was compiled by Gen. Cho Namqi, who headed the Logistics Department until a recent military reshuffle that elevated him to director of the Chinese Academy of Military Sciences.

"We are preparing to build three large-scale naval bases at a total cost of around 200 million yuan (34.8 million dollars)," Cho said in the report.

"These will form a three-pronged strategic belt which should be in place by 1998," Cho said.

The new facilities will be located in Liaoning Province in northeast China, a site near Shanghai, and Zhanjiang in southern China's Guangdong Province, he said.

Cho pointed out that new naval bases are needed to replace obsolete facilities which are in poor condition and to strengthen the country's oceangoing fleet ambitions.

"If China possesses an aircraft carrier by 1997, our logistical capabilities will have reached a new stage," he said.

Cho admitted that financial constraints are holding back China's ambitions to buy an aircraft carrier from overseas. But he said the navy should start building a logistical support system capable of sustaining a carrier in the future.

A strong mobile fleet built around large naval bases and air force facilities will provide a strong deterrent force as China expands its naval operations from coastal protection duties to encompass ocean patrols, Cho said.

Naval analysts say China wants to develop an ocean-going fleet to bolster its territorial claim on the Spratly Islands in the South China Sea and the Diaoyu [Senkaku] islands to the east.

The Spratlys are claimed in whole or part by China, Taiwan, Malaysia, Vietnam, the Philippines and Brunei while both China and Japan claim sovereignty over the Diaoyu Islands, known in Japan as Senkaku Islands.

But Cho said China should extend its naval operations further afield to check perceived attempts by India to dominate the Indian Ocean and other regional waters.

"The Nansha (Spratly) islands are not only claimed by Southeast Asian countries but now India is also seeking to muscle in by developing a navy to rival that of large global powers," Cho said. "This is something which we cannot accept."

For this reason, he said China will step up naval visits to the Indian Ocean and pay more calls on foreign ports in the region.

"But since our own navy cannot yet totally safeguard the Nansha Islands, as far as the Indian Ocean goes, we shall first step up visits because it is vital to increase our presence," he said.

"We are not prepared to let the Indian Ocean become India's ocean."

PLA Diversifies Airborne Troops' Training

OW1001105993 Beijing XINHUA Domestic Service in Chinese 0408 GMT 6 Jan 93

[Report by reporter Sun Maoqing (1327 5399 1987) and correspondent Tan Jun (6223 6511)]

[Text] Beijing, 6 Jan (XINHUA)—The airborne troops of the People's Liberation Army have become a shock force which can fly to their destination at any time and land at any place in defense of the motherland.

It was learned that in recent years our country's airborne troops have successfully undergone combat training under 19 kinds of complicated conditions, topographies, and bad weather, including atomic [yuan zi 0626 1311] and severe cold conditions, as well as training in the Gobi Desert, high mountains, and islands in the Nan Hai [South China Sea]. The airborne troops have acquired the capability to perform airborne combat tasks from the south to the north, from highland to sea, and from conventional to atomic conditions [yuan zi tiao jian 0626 1311 2741 0115]. The airborne troops have also conducted explorations and accumulated valuable experience in performing all-around combat tasks. In a recent winter field survival training exercise, commanders and fighters each carried a 25 kg load, crossed 39 snow-capped mountains and 17 icy rivers, overcame nine snowstorms, and travelled more than 400 km. They struggled 19 days and nights in the vast snowfield, and successfully completed 13 highly difficult training tasks, including close contact with the enemy, deep thrusts into enemy forces, and division of enemy forces into several pockets where they were wiped out one by one.

From generals to soldiers—from office cadres to cooks, medical orderlies, and radio operators—all members of our airborne troops are capable of parachuting to perform their respective tasks. The safety rate in parachuting tops the world. All officers and soldiers of "main" units in charge of fighting have mastered the use of different kinds of parachutes, can parachute from various types of aircraft, know how to drive various kinds of vehicles, and can proficiently operate the weapons assigned to them. They have also learned the techniques of engineering and antichemical warfare troops, and of operating signal equipment.

All parachutes and equipment now used by airborne troops are produced in our country and are serialized,

and their quality has reached advanced international levels. The newly developed and produced paradrop containers and carrying equipment for individual airborne fighters have enabled the air dropping of antitank missiles, light vehicles, and artillery pieces.

Motorized Troops Stage Winter Military Maneuvers

OW0901045693 Beijing XINHUA Domestic Service in Chinese 0629 GMT 4 Jan 93

[“Newsletter” by Yi Jianru (2496 0313 1172) and Chen Hui (7115 6540): “Motorized Troops Are on the Move on Snow Country”]

[Text] Shijiazhuang, 4 Jan (XINHUA)—It was the end of the Year of the Monkey. The vast stretch of land in northern China was covered with snow. On its winding roads, motorized troops were moving, their vehicles' engines snarling. This was a grandiose scene of military maneuver staged by motorized troops of the Beijing Military Region.

Where necessary, roads and bridges were built by more than 10,000 troops using engineering vehicles. Officers and soldiers from engineering units jumped into a frozen river and quickly built a 35-meter wide steel bridge. With a temporary bridge over the river, communications, electronic interference, convoy, and artillery vehicles passed easily.

The troops were posted in Jingkangshan—the revolutionary cradle. Carrying forward the undaunted spirit of the old red army, the officers and soldiers had traversed many difficult and important areas such as Shibapan and five strategic passes. The troops swiftly arrived at Huapiling—an area laced with high mountains and dangerous roads. Difficulties could not stop them; tank after tank laboriously moved towards the summit. The troops were stopped by assaulting snowflakes carried on strong winds and by increasingly steep mountains. Soldiers fixed snow chains on their vehicles, then slowly drove them over a snow-covered corridor which had been opened by machines. General Li Laizhu, vice commander of the military region, came in person to make sure the road was passable. He guided the troops through the dangerous pass. Soon after, Huapiling was left far behind the moving units.

Snow-covered mountains could not stop the motorized troops, nor could complicated “enemy situations.” Soon after they received orders to cover themselves from air reconnaissance, the troops and their vehicles suddenly disappeared in the mountain valleys. Following Regimental Commander Liu Guo of the “Dagong Regiment” to inspect a battalion's camouflage area, we failed to find any soldiers of the battalion, even though they were not far from us. All traces of the vehicles were camouflaged with nets and twigs. The vehicles and soldiers were covered with grass. Up above, reconnaissance planes were unable to find their targets.

As dark approached the wilderness, the troops who had been on the move all day began to camp. They set up tents on the snowy slopes and hills. We visited a tent. What we saw was a tent with a hole covered with dry grass, and two soldiers sleeping inside. The thermometer, which showed -20 degree Centigrade in the open, told us it was 10 degree Centigrade inside the tent.

The motorized troops moved over 1,000 kilometers, covering eight counties and cities in two provinces. When the troops were ready to rest, they were ordered to launch a counterattack on the "blue troops." Despite their fatigue, they immediately broke camp and started a forced march to an ancient battlefield in north China.

One could hear rumbling artillery from the snow-covered mountains. The "blue troops" had occupied the main peak. Their fighter planes and armed helicopters began to launch attacks on the red army. They also used electronic interference equipment and "chemical weapons." The red troops, equipped with modern weapons and facilities, were not to be outdone. They also used their electronic equipment in the counterattack. Wearing gas masks, chemical troops washed off contaminated pollutants. Artillery and missiles were fired off toward enemy targets. By detour combat strategy, the red troops split the enemy and encircled them. At last, the position occupied by the "blue troops" was taken over by the red troops.

At his headquarters General Wang Chengbin, commander of the military region, was watching the "battlefield conditions" on a TV screen. He said: "In the past, we trained our troops to move fast on their feet. Now we have motorized our troops. However, we will carry forward the spirit of hard training."

National Defense University Aids Beijing District

*OW0901212393 Beijing Central Television Program
One Network in Mandarin 1400 GMT 8 Jan 93*

[From the "Night News" program]

[Text] [Video shows several military officers walking among civilians, visiting a neighborhood and a factory workshop; and a screen caption, "Great Achievements Are Made by the National Defense University and Haidian District [in Beijing] in the double-support activities and in joint efforts to build spiritual civilization."]

The National Defense University [guo fang da xue 0948 7089 1129 1331], with a strong force of theorists, dispatches over 100 teachers and students every year to assist its partners in the joint Army-people campaign to build spiritual civilization. Its assistance is in the form of study of political theories, lectures on current events, national defense education, cultural studies, and militia training. Some heroes and model persons among its students are selected to deliver reports on their deeds. As

a result, the joint Army-people campaign to build spiritual civilization is helping economic construction and benefiting both the military and the civilian communities.

Military Thanks Commerce Departments for Supplies

OW1001103393 Beijing XINHUA Domestic Service in Chinese 0747 GMT 6 Jan 93

[By reporter Zhou Liang (0719 0081)]

[Text] Beijing, 6 Jan (XINHUA)—The Ministry of Commerce and the People's Liberation Army [PLA] General Logistics Department recently held a forum to discuss ways of ensuring the supply of grain to the military services under a socialist market economy.

There are more than 5,000 grain stores in the nation which supply grain to the military. The number of people at commerce departments who are directly involved in the supply of grain to the military exceeds 30,000; they have been working very hard to ensure the supply of grain. Liang Yibin, director of the Military Supplies Department under the PLA General Logistics Department, spoke at the forum. He said last year commerce departments had done many good and practical services in supplying grain to the military. In addition to supplying adequate staple foods to the military, they supplied high-grade rice, noodles, edible oil, and other food grains to units stationed on the Tibet plateau; they also supplied "nonrinseable rice" to units guarding reefs in the Nanshas. This greatly displays the deep attachment between the people and the military.

Fu Quanyou, director of the PLA General Logistics Department, also spoke at the forum. He said to enhance the troops' cohesiveness and fighting strength, it is imperative not to lower their living standards despite rising commodity prices. In the new situation of reform, commerce departments have taken the initiative of ensuring supplies for the military, for which we want to offer our deep appreciation. Commerce Minister Hu Ping said commerce departments will always do a good job in supplying the military under any circumstances.

Ordnance Corporation Set Up in Chongqing

OW0901150393 Beijing XINHUA in English 1456 GMT 9 Jan 93

[Text] Chongqing, January 9 (XINHUA)—The China National Ordnance Industry Corporation (southwest) was established yesterday in this biggest city in southwest China's Sichuan Province.

The corporation, composing of 43 ordnance factories and 15 scientific institutes, colleges and enterprises, mainly produces motorcycles, minicabs and optical products.

Last year the province's ordnance factories achieved five billion yuan in output value from civilian-use products.

Economic & Agricultural

Beijing Facing Local 'Defiance' in Cooling Economy

HK0901050993 Hong Kong SOUTH CHINA MORNING POST in English 9 Jan 93 p 8

[Report by Willy Wo-lap Lam]

[Text] Central-level authorities have been forced to modify their strictures on cooling down the economy because of unprecedented and flagrant defiance by local governments.

Chinese officials and economists said the central government had been forced to postpone or scale back just-announced policies on restricting the issue of stocks and on cutting down the number of development zones.

They said cadres, especially those in the southeast, were citing new instructions from patriarch Mr Deng Xiaoping, who had ridiculed central planners' "timidity" and "nervousness".

Earlier this week, the president of the People's Bank of China, Mr Li Guixian, indicated that enterprises must at least temporarily stop the "internal issue of stocks", meaning the sale of shares to employees.

Mr Li said many problems had arisen, including the "selling off of state assets" to managers and workers under the pretext of a share issue.

But Mr Li's instructions have not been followed in the regions.

The New China News Agency [XINHUA] yesterday quoted the governor of Hunan, Mr Chen Bangzhu, as saying the province would promote the shareholding system among state-owned enterprises, 45 of which were expected to issue stocks soon.

Mr Chen indicated the shareholding system was the best way to expedite enterprise reform.

In spite of the supposed moratorium on the opening of new development and technological zones, new ones are being planned or unveiled.

Yesterday, the New China News Agency reported that the government of impoverished Guizhou Province had been given approval to construct a "new high-tech industrial development zone".

Chinese sources said Guangdong, Fujian and Hainan had been most effective in bucking Beijing's rules on cooling the economy.

The sources added that regional cadres had cited Mr Deng's recent instructions about the need to persist with reform and development in spite of signs of the economy overheating.

"There is no need to fear even if the economy has become a bit hot", Mr Deng reportedly said last month.

"It is very normal for problems to emerge in the course of hard work. Only people who do nothing will commit no errors."

Mr Deng was reportedly scolding central planners led by Vice-Premier Mr Yao Yilin.

Official Predicts Trade To Grow Faster Than GNP

HK1001044593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Jan 93 p 1

[Report by Wang Yong: "Trade Expected To Grow Faster Than National GNP"]

[Text] China's foreign trade in 1993 is expected to grow solidly despite lurking challenges.

A senior government official has forecast a faster growth rate for the sector than that for the country's gross national product [GNP].

"China will get a further lift in its ranking among the world's major traders in the near future," said Liu Xiangdong, director general of the policy and development department under the Ministry of Foreign Economic Relations and Trade (Mofert).

China was 13th in terms of export volume in the 1991 ranking throughout the world and was expected to further move up last year.

Exports in 1992 jumped 18.3 percent over a year ago to \$85 billion. But imports soared 26.4 percent to \$80.6 billion.

"The growth of imports will continue to outstrip that of exports this year due to a strong national economy," said Liu.

China is working on new provisional regulations on imports that conform with international practice.

Administrative barriers to imports will be reduced in favour of laws, tariffs and fluctuations in exchange rates and interest rates as the major tools of control.

Liu said he expects exports will increase steadily thanks in part to China's development of more natural resources as well as the nation's improved processing ability.

"Political and social stability are underlying keys to guarantee better exports," he added.

Moreover, large and medium-sized State trading firms can expect a boost from relaxed central control over their business activities.

But Liu warned that spiralling prices and subsequent higher production costs at home will cast a pall over the nation's export ability.

"The export of massive raw materials can also be expected to decline because of a construction boom at home," he predicted.

Trade analysts said rigid central control on the exchange rates between renminbi and foreign currencies also stonewalls the country's exports.

Surveying the international environment, he said the emergence of trade blocs and a slow recovery in major world economies could have negative impacts on China's exports.

"What's more, international economic relations seem more and more to be influenced by politics," he said.

As for the much-anticipated reentry of China into the General Agreement on Tariffs and Trade (GATT), he said the prospects are good despite some snags. China was a founding member of GATT in 1948 and left the organization in 1951.

"If things go well, China will rejoin the world trade body within this year," he said.

"The point is that China and other GATT contracting members should reach an agreement balancing China's obligations and rights in GATT."

MOFERT Issues Policies for Foreign Investors

HK1001021593 Hong Kong ZHONGGUO TONGXUN SHE in English 0602 GMT 9 Jan 93

[Text] January 9 (CNS)—The Chinese Ministry of Foreign Economic Relations and Trade (MOFERT) recently published ten preferential policies for foreign investors. These are:

First, foreign businessmen will be allowed to make capital investment in terms of currencies, machinery, raw and processed materials and conveyances as well as invisible property, including industrial property rights such as patents and trademarks and special technology.

Second, foreign investment in terms of equipment, raw and processed materials as well as imports of equipment bought in the international market and other materials for production are all exempted from tariffs and industrial and commercial unified taxes.

Third, foreign businessmen will be allowed to make investment in businesses other than those involving national security, those having an impact on China's traditional exports and those turning out products subject to import quotas set by foreign governments.

Fourth, the state will impose no restrictions on the proportion of shareholding possessed by a foreign partner in joint-ventured enterprises while the setting up of solely foreign-funded enterprises will be allowed.

Fifth, foreign shareholders in joint-ventured enterprises will be allowed to be legal persons such as board chairmen.

Sixth, the time limit for foreign-invested enterprises will generally be unrestricted. Even though some enterprises are subject to restrictions, they can apply for an extension of their operations on the expiry of contract term.

Seventh, foreign investors will be entitled to purchase directly raw materials from the international market and sell their products there.

Eighth, the government will encourage foreign-funded enterprises in China to hire staff and workers at home and allow them to employ technical experts and senior managers from abroad.

Ninth, a low tax policy will be available for foreign-funded enterprises while profit tax imposed on foreign investors will be lower than that imposed on state-run and collective enterprises.

Tenth, greater preferential taxation treatment will be given to foreign investment in key businesses and areas where the government is encouraging investment of foreign capital.

MOFERT Announces Measures for Increasing Imports

HK1001074693 Hong Kong CHING CHI TAO PAO in Chinese No 50, 21 Dec 92 p 24

[Unattributed report from the "China Economic News" column: "Five Measures To Expand Imports"]

[Text] It has been learned from the Ministry of Foreign Economic Relations and Trade [MOFERT] that China will appropriately increase imports this year and will adopt five measures for stimulating imports:

First, several billion U.S. dollars of foreign exchange reserves in the state treasury will be used to import some large pieces of equipment and advanced technology for technological transformation in large and medium enterprises.

Second, the interest rates on loans for enterprises will be lowered to increase investment in technological transformation.

Third, following the reduction of import tariffs for more than 200 commodities, the ministry plans to further stop collecting import regulation taxes in the near future.

Fourth, localities and enterprises will be allowed to use their own funds to import equipment for technological transformation, provided the projects are in line with the state's industrial policy. The procedures for examining and approving these imports will be simplified or eliminated completely.

Fifth, the import licenses for 16 commodities will be eliminated, and the ministry plans to free two-thirds of the 53 commodities now subject to import license management from import controls in two to three years.

'Sharp Rise' in Imports, Exports for Foreign-Invested Firms

HK0901034393 Beijing CHINA DAILY in English 9 Jan 93 p 2

[Report by staff reporter Wang Yong: "Rosy Year for Foreign Investors"]

[Text] Enterprises in China backed by foreign investments posted a sharp rise in import and export volume last year.

The news comes during a period of growth in overseas capital inflow.

Statistics from the General Administration of Customs show that more than 25 percent of China's total foreign trade (\$165 billion) in 1992 was generated by enterprises with foreign investment.

In the breakdown, equipment and goods imported by these enterprises for investment were valued at \$8 billion, up 71 percent over 1991.

Altogether 40,291 projects were approved last year involving \$8.34 billion worth of actual foreign investment.

Customs Duties Collection Up 13.76 Percent

HK0901033993 Beijing CHINA DAILY in English 9 Jan 93 p 1

[Report by staff reporter: "Customs Duties Hit New Record"]

[Text] China collected a record 21.5 billion yuan (about \$3.6 billion) in customs duties over the past year, up 13.76 percent over the previous year, customs officials said.

Shanghai, Beijing, Tianjin, Kowloon [as published] and Huangpu were acclaimed as the five top tax collectors in China, as their total tariff revenue exceeded 9.2 billion yuan (\$1.5 billion) last year.

The increase in tariff revenue was a contribution to the country's ongoing rapid economic development, officials said.

They also attributed the increase to the customs measures taken last year aimed at deepening the reform of State tariff systems and strengthening the collection administration, which effectively prevented some attempts to evade customs duties—one of the government's most important sources of revenue.

Development Zone Firms To Enjoy Favorable Terms

HK1101083893 Hong Kong CHING CHI TAO PAO in Chinese No 50, 21 Dec 92 p 24

[From the "China Economic News" column: "State Draws Up Uniform Preferential Terms for Development Zones"]

[Text] The state has drawn up a series of uniform preferential policies for development zones. The principal aspects are as follows:

1. As of the date of approval, income taxes levied on an enterprise in a development zone will be reduced to 15 percent and, on an enterprise whose exports account for 70 percent of the current year's output value, will be reduced to 10 percent.
2. Income tax on an enterprise will be exempted in its first two years of operation, and income tax of a newly established Chinese-foreign joint venture will be exempted in the first two years it makes profits. After the period of tax exemption, proper considerations of tax reduction or remission will be given to enterprises which have actual difficulties in tax payment.
3. Bonded factories can be established in development zones. Their products, by processing with supplied materials, will enjoy exemption of import customs duties, import product tax, and value-added tax.
4. Unless it is otherwise stipulated by the state, export duties will be exempted for export goods produced in development zones. Import duties will also be exempted for importation of instruments and equipment which China is unable to produce.
5. An approach of rapid depreciation will be adopted for the instrument and equipment used for new hi-tech development by enterprises in development zones.
6. The portion of newly increased tax payments of various kinds made by enterprises in development zones will be totally returned to the zones within five years, taking the payments of 1990 as the base.
7. Simplified multiple exit procedures will be practiced for the business and technical personnel employed by enterprises in the development zones.

Bank of China To Adopt Market-Oriented Interest Rates

HK1001053093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Jan 93 p 1

[Report by Wu Zhe: "Market Will Determine Savings Rate"]

[Text] People's Bank of China says it will opt for the Western style of paying market-oriented interest rates on

savings accounts rather than resume inflation-proof savings accounts created in 1988 to protect savers from inflation.

The bank terminated the savings accounts, which were called "value-guaranteed savings" a little more than a year ago.

The special savings accounts were launched by the central bank in September 1988 while the nation was gripped by double-digit inflation and panic buying. Under the programme, the interest rate was dictated by the inflation rate as established by a consumers price index.

"The move successfully stabilized bank deposits," said Nan Ping, an official of the People's Bank of China.

"But since the sales price index dropped dramatically from June of 1990 to October of 1991, there was no reason to continue the practice," said Nan.

He said the central bank is going to raise interest rates for fixed deposits. He wouldn't elaborate.

Compared with 1988's 18.7 percent inflation, the inflation rate for the nation as a whole was 6 percent in 1992, according to Nan.

"Though people now have to open their wallets wider to cope with higher prices, there is no sign that a recession is ahead," said Nan.

Nan said the central government couldn't afford a value-guaranteed savings system if the inflation rate soared.

Another disadvantage of the value-guaranteed savings is that many banks didn't have computers required by the system to integrate the savings rate with inflation indexes.

"After all, it was an expedient measure, which proved successful only over a short amount of time. If the system were used over the long run, it would actually promote inflation," according to an authoritative source of the central bank.

Nan said, "If inflation should increase to unhealthy levels in the near future, there would be other measures taken besides value-guaranteed savings to normalize the economy."

Bank Official on Steady Development of Economy

OW1001034093 Beijing XINHUA in English 0327
GMT 10 Jan 93

[Text] Shanghai, January 10 (XINHUA)—A senior bank official indicated that China's central bank will strengthen its function for macro-control and stabilize money supply so as to ensure the steady development of the national economy.

Guo Zhenqian, vice-governor of the People's Bank of China (China's central bank), said here Saturday that

China had achieved remarkable results in the past year thanks to the policy of accelerating reform and opening to the outside world.

After hearing reports by leading members of various financial institutions in Shanghai, he affirmed contributions made by those financial organizations in Shanghai's economic development as well as in the development of its Pudong area.

On China's economic situation, he noted that there have been an excessive amount of money supply, a strong demand of investment and factors for a latent inflation.

Therefore, it is correct, necessary and timely for the central authorities to propose guarding against the reoccurrence of overheatedness in economy, he said.

The financial departments should strengthen macro-economic control, stabilize money supply and banking business, and readjust credit and loan structure in an effort to facilitate enterprises to alter their operational mechanism and to support the national economic development, he stressed.

State To Regulate Market in Capacity of Big Buyer

HK1001011093 Hong Kong CHING CHI TAO PAO in Chinese Nos 1-2, 1 Jan 93 p 80

[From "China Economic News" column: "The State Planning Commission To Regulate, Control the Economy in the Capacity of a Big Buyer"]

[Text] When answering a question on mandatory planning, an official of the State Planning Commission said that in fact, mandatory planning only made up 11 percent of the total output value of industrial and communications production in 1992, and will drop to 7 percent in 1993. At this rate, mandatory planning may disappear very soon. However, as mandatory planning is only a means of management, the state should certainly have some reserves in hand in order to deal with sudden incidents and control the market.

The official also revealed that in 1993, the state will place orders for six products, including rubber and motor vehicles. An important difference between this practice and mandatory planning is price. Although quality and quantity are ensured, prices are decided by market supply and demand. The government will no longer use the form of prices fixed by the state to force enterprises to produce and sell certain products. He reckoned that this new method, which is characterized by the state regulating and controlling the market in its capacity as a big buyer and guiding enterprises indirectly through the market, may possibly replace mandatory planning and become an extremely important means of macroeconomic regulation and control.

Authorities Formulate Price Reform Policy Outline

HK1001074593 Hong Kong CHING CHI TAO PAO in Chinese No 50, 21 Dec 92 pp 24-25

[Unattributed report from the "China Economic News" column: "The General Outline of Price Reform"]

[Text] Following the 14th CPC National Congress, the relevant departments more intensively considered and formulated measures for deepening price reform. It has been learned that the overall outline of the price reform will be as follows:

- The objective: To rationalize the prices of producer goods, primarily coal, crude oil, electricity, and steel and to rationalize the prices of agricultural and sideline products, primarily grain.
- The principle: To adjust and decontrol prices step by step.
- The main contents: 1) Gradually decontrol the prices of raw materials until prices are set by the market or fluctuate around a guideline figure fixed by the state. 2) Adjust the prices of goods and services in some noncompetitive departments which still operate under state monopoly and bring such prices closer to the international level or to a level which can guarantee profits in business operations. 3) Adopt a favorable price policy for agricultural products.
- Over the next three years, the price level should rise by a margin of less than 4 percent. If the economic environment is more favorable, however, prices may increase by approximately 6-7 percent.

Credit Policy Said To Spur Industrial Output

HK1001062193 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Jan 93 p 8

[Report by Qu Yingpu: "Easier Credit Gives Lift to Industry Output"]

[Text] Industrial output in the first 11 months of last year was 20.4 percent higher than in the same period last year, according to the latest government statistics.

Output was 2.6 trillion yuan (\$47.55 billion).

The government attributed the strong growth to the ready availability of credit from banks for institutions needing to borrow as they sought to boost production.

Figures released by the State Statistics Bureau show that capital construction spending in the State-run industries in the first 11 months last year jumped 33.8 percent over the corresponding 1991 period to top 191.9 billion yuan (\$33.7 billion).

Of that, 85.7 billion yuan (\$15 billion) went to projects under the administration of the central government, an increase of 17.4 percent. The remainder (\$18.7 billion)

went to enterprises under control of local authorities, which represented a 50.8 percent increase.

Manufacturing projects absorbed 136.8 billion yuan (\$24 billion), an increase of 31.6 percent over the first 11 months of 1991.

Non-manufacturing investment totalled 55.1 billion yuan (\$9.7 billion), up 39.8 percent, of which 21 billion yuan (\$3.7 billion) was spent on housing, up 38.4 percent.

Money spent on technical renovations in the State-run industries in the January-November period hit 86.2 billion yuan (\$15.1 billion), up 40.4 percent.

In industrial production in the period, light industrial output jumped 18.4 percent to 1.2 trillion yuan (\$213.1 billion) while heavy industrial output gained 22.2 percent to 1.3 trillion yuan (\$234.5 billion).

In the January-November period, State-run industries generated 1.5 trillion yuan (\$268.3 billion) worth of products, a rise of 12.6 percent over the corresponding 1991 period, while the collectively-owned enterprises chalked up a 30.7 percent increase to 813.1 billion yuan (\$142.7 billion). Of the total, 441.9 billion yuan (\$77.5 billion) was generated by plants in rural areas, up 48.7 percent.

Foreign-funded enterprises and private firms reported an output of 208.5 billion yuan (\$36.6 billion), a buoyant increase of 49.5 percent over a year ago.

A close look at products in the first 11 months shows production increased for many.

Production of television sets increased by 7.4 percent to 25.6 million. A little less than half were colour televisions.

Automobile production went up 50.8 percent to 989,100.

Production of domestic washing machines gained 5.4 percent to 6.6 million, while production of refrigerators went up 2.7 percent to 4.6 million.

The output of yarn inched up 4.9 percent to 4.4 million tons, and the production of chemical fibres for garments and other products climbed 9 percent to 1.7 billion metres.

The production of cigarettes inched up 2.8 percent to 1.5 trillion while the output of beer climbed 22.9 percent to 9.65 million tons.

Steel production generated 72.9 million tons, up 13.2 percent, and the production of steel products gained 17.6 percent to 59.8 million tons.

Production of sulphuric acid grew 6.7 percent to 12.9 million tons while the output of soda ash increased by 14.5 percent to hit 4.1 million tons.

Production of chemical fertilizers was up 5.1 percent to 19.4 million tons.

Timber production, however, dropped 1.7 percent to 33.1 million cubic metres.

Production of cardboard was up 39.3 percent to 3.4 million cubic metres and the production of cement was up 21.6 percent to 271.4 million tons.

Production of window-pane glass went up 11.1 percent to 86.7 million boxes (One box weighs 50 kilograms).

Meanwhile, energy production in the first 11 months totalled 960.6 million tons of standard coal equivalent, an increase of 3 percent over the corresponding 1991 period.

Production of undressed coal inched up 3.2 percent to 990 million tons, while production of crude oil grew 1.8 percent to 130 million tons.

Natural gas production inched up 0.6 percent to 14.1 billion cubic metres while production of hydroelectric power gained 5.1 percent to 121.3 billion kilowatt-hours.

Statistics Show Increase in Non-Rural Employment

HK1001072093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Jan 93 p 8

[Report by Xiao Qu: "National Employment Rises But Fewer 'Iron-Rice Bowls'"]

[Text] China's non-rural employment increased 954,000 from the end of 1991 to total a shade over 146 million at the end of October, according to the latest report released by the State Statistics Bureau.

State-owned industries, the report said, added 726,000 people to their payrolls to total 107.4 million.

Of the workers in State-run industries, workers holding permanent jobs totalled 77.6 million, down 502,000; those working under contract increased by 1.1 million to nearly 17 million. The rest held temporary jobs.

Collectively-owned enterprises cut their payrolls by 107,000 in the first 10 months to 36.2 million, while foreign-funded and private firms added 335,000 people to their total employment over the same period, which brought that sector's total employment to 2.5 million at the end of October.

Meanwhile, the total volume of wages paid out in the first 10 months of 1992 amounted to 292.4 billion yuan (\$51.3 billion), which was 16.5 percent more than in the corresponding 1991 period.

State-owned industries paid 229 billion yuan (\$40.2 billion), up 16.2 percent, while collectively-owned enterprises paid 56.3 billion yuan (\$9.9 billion), up 14.3 percent. Foreign-funded and private firms paid 7.1 billion yuan (\$1.3 billion), up a hefty 54.5 percent.

In another development, October's price index on retail sales—the country's most important indicator on inflation—rose 6.4 percent over a year ago nationwide.

The cost-of-living index, another important inflation indicator, was 7.9 percent higher in October versus a year earlier.

The index on retail sales of consumer goods grew 6.7 percent from a year earlier while the price index of retail sales at State-owned commercial outlets rose 6 percent. The index on retail sales of consumer goods on free markets also increased in October versus a year earlier—6.5 percent.

Wang Bingqian on Checking, Registering State Assets

OW1001073893 Beijing Central People's Radio Network in Mandarin 1030 GMT 5 Jan 93

[From the "National Hookup" program]

[Text] The State Council Leading Group for Appraising Fixed Assets and Circulating Funds today held a telephone conference in Beijing to make arrangements for the work of appraising and registering fixed assets of state administrative institutions as well as state-owned enterprises and undertakings.

At the meeting, a concerned responsible comrade pointed out that the guiding principles for the current appraisal and registration of fixed assets and circulating funds are: To clearly check actual fixed assets held by administrative institutions and state-owned enterprises and undertakings; to register them and reflect their value; to include all assets which belong to the state in the scope of management by the state; and to gradually link the work with the management of circulating funds so as to establish and perfect the system of managing assets of administrative institutions and state-owned enterprise undertakings and to achieve the goal of reasonable, effective, and economic use of assets.

State Councillor Wang Bingqian spoke at the telephone conference. He emphatically pointed out that various localities and concerned departments should clearly know the scope of checking up and registering assets of state administrative institutions and other state-owned undertakings, be sure there are no loopholes, reappraise the stocks and assets of enterprises which have carried out business management systems, adhere to the principle of checking all things and squaring all accounts without exception, and strictly follow the policy for determining ownership. He said: Disputed things should be checked first, and their ownership determined later. We should include all off-the-book state assets in the state account for management and protection in order to make sure that state-owned assets will not be embezzled. Meanwhile, we should guard against the recurrence of unclear assets and truly consolidate the results of checking and registration.

Government Organizes New Oil Enterprise

OW0901083493 Beijing XINHUA in English 0734
GMT 9 Jan 93

[Text] Beijing, January 9 (XINHUA)—The China National United Oil Corporation (Sinoil) was officially set up in Beijing today.

Jointly owned by the China National Petroleum Corporation (CNPC) and the China National Chemicals Import and Export Corporation (Sinochem), Sinoil will be responsible for the overall management of exploration, production and sales, and the import and export of crude oil and natural gas.

It will compete in exploring the international market using domestic and international resources and funds to transform itself into a global industrial conglomerate.

With the approval from the state council, Sinoil has independent rights to handle imports and exports and make investment overseas. Its business scope covers crude oil, products and petrochemicals, transportation and logistics and all equipment for oil production and exploration.

Sinoil will also work with foreign enterprises in bidding for domestic exploration rights and development, and in the setting up of overseas ventures and services.

Ministry Changes Functions To Help Light Industry

OW0901120193 Beijing XINHUA Domestic Service in Chinese 0418 GMT 5 Jan 93

[By reporters Zhou Liang (0719 0081) and Bao Yueyang 0545 2588 7122]

[Text] Beijing, 5 Jan (XINHUA)—Many reporters who have interviewed officials from the Ministry of Light Industry are keenly aware that the ministry is actively undertaking unpublicized efforts to adapt its functions to the demands of the socialist market economy. Ministry-affiliated organs are gradually abolishing their previous functions of assigning projects, approving production quotas, and directly intervening in the production and management of enterprises, in favor of "planning, coordination, supervision, and service."

The ministry's first significant action of changing its functions is the publication of guidebooks on the light industry's reorganization, transformation, and investment. The ministry is encouraging enterprises to gear their product mixes and investment structure toward market demands, by providing analyses on the industry's current state and domestic and international markets, as well as forecasts of the industry's mid-term and long-term development trends. Last September, ministry officials published the first set of guidebooks on five industrial sectors—air conditioners, electrical lights, paper, ceramics for everyday use, and bicycles. They plan to publish 10 more guidebooks in the near future. The

"guidebooks" are different from plans and investment charts. They are guiding documents that, in the words of Vice Minister of Light Industry Xu Rongkai, resemble road signs. We can reach our destinations without following their directions, but only after making a detour. These guidebooks are very popular with enterprises. Since the publication of the first set, many enterprises have requested detailed information from newspaper offices and radio stations that carry this type of publication.

The second significant action is an active effort to cultivate and develop markets. Making full use of the major commercial channels and existing markets, the Ministry of Light Industry last year successfully held a national rural fair in Wuhan to facilitate the placement of orders for light industrial products. The ministry recently hosted the third national light industrial exposition, which replaced the annual meeting of directors of light industrial departments and bureaus. The exposition aimed to help enterprises adopt a market orientation. To provide enterprises with year-round showrooms and fixed venues for the placement of orders, the Ministry of Light Industry will build a national trade center for light industry products in Beijing, a national wholesale market for dairy products in Harbin, and a host of light industrial wholesale markets and border trade companies.

The third significant action is the publication of "weather forecasts" on light industrial markets that provide enterprises and various social circles with information on short-term production and sales prospects for light industrial products, as well as market projections. These forecasts serve as a guide to both production and consumption. On 9 October 1992, ministry officials published the first "Report on the Production and Sale of Light Industrial Products and Forecast." The document—which dealt with production and marketing in the light industrial sector during the first three quarters of this year, and which provided short-term market forecasts for sugar, air conditioners, paper, and salt—attracted the attention of enterprises and consumers.

The Ministry of Light Industry and relevant departments will jointly oversee product quality throughout light industries, lead industries toward sound development, and protect consumer interests. They will mainly expose inferior products and recommend quality goods. During the first six months of last year, the Ministry of Light Industry published a list of "recommended products" and "products that are temporarily not recommended," based on the findings of its sampling of some consumer durables and fairly substandard light industrial products that had generated strong resentment among consumers. Later, it recommended to consumers 10 major enterprises that produce superior powdered milk and 17 trustworthy brand-name shoes. In dealing with footwear, "Maotai" liquor, and the beverage "Jianlibao," the ministry launched activities to determine the root causes

of problems, and harshly cracked down on the production and sale of counterfeit and inferior products. Footwear is the most controversial category, while "Maotai" and "Jianlibao" are two major brands that are frequently imitated. Ministry officials recently conducted a spot check of rubber-soled leather shoes and walking shoes that were sold in Beijing and exposed 17 inferior samples. They also dealt with the factories that produced "Maotai" and "Jianlibao" imitations.

Yu Guangyuan Stresses 'Modern Market Economic Culture'

HK1001011393 Beijing JINGJI RIBAO in Chinese 12 Dec 92 p 3

[Article by Yu Guangyuan (0060 0342 6678): "Grasp the Modern Market Economic Culture"]

[Text] I believe that the three designations—"socialist market economy," "market economy" and "modern market economy"—can be used together. The "socialist market economy" is the basic designation showing that the market economy that our country is going to develop must be socialist in nature. "Market economy" can be seen as a short form for "socialist market economy." Just as the market economy under capitalist conditions must be capitalist in nature, a market economy under socialist conditions can only be socialist in nature. The market economy "itself" is neither capitalist nor socialist; in other words, it can be a capitalist or a socialist market economy, just as a "human" does not by itself denote either a man or a woman. A market economy only carries the attributes of a certain social system when it is under that social system. The use of the designation "modern market economy" is meant to show that a market economy is more than just a kind of socio-economic relationships. It is a culture, one rich in content and highly beneficial. This culture has developed to a very high level in contemporary developed capitalist countries. The real-life market economy in our country is still very immature, was hastily initiated, and needs to grasp the modern market economic culture and to be raised to the modern level, so that our country's market economy will also become a "modern market economy."

One of the basic characteristics of the socialist economy is that the market economy will get involved in the basic socialist economic system. Socialism, as the first stage of communism (note: This is according to Lenin's interpretation. I do not agree that socialism should be described as the first stage of communism. Instead I endorse Marx' and Engels' argument that socialism and communism are synonymous. I even believe that the communism we are discussing should be called "socialist communism" in order to distinguish it from primitive communism), refers to ownership of capital goods by society (a common feature in all stages of communism), distribution according to labor and a market economy (a feature unique to the first stage of communism). Therefore, the pursuit of a socialist market economy represents the perfection of the basic socialist system. The socialist

market economy, precisely because it belongs to the basic socialist system, touches on a wide range of areas—whether on the level of socio-economic relationships or on the level of culture (this first stage of communism will last a long time, maybe hundreds of years. It has become increasingly clear that it is inaccurate to see this stage as just a transitional society). Therefore, with the beginning of the pursuit in our country of a market economy, it will be necessary to transform in many ways socio-economic relationships, and modernize in many ways things on the cultural level. The transformation and learning will be very arduous. We are not able to appreciate this right now; but I think that as time goes by, we will come to appreciate it more and more.

This article does not intend to discuss the pursuit of a further, many-sided and relatively thorough reform of the old system according to socialist market economic principles. Here I would like to say something only on the problem of grasping the modern market economic culture (though this certainly has an intimate bearing on the above issue). This includes the three large areas of research, teaching and dissemination through newspapers of the thoughts, knowledge and methods of a modern market economy. I believe that we should make an effort to explore the contents of these three areas (including the breadth we need to grasp, the problems we need to resolve and the depth we need to reach, either in the near or long term), and adopt effective organizational measures. The most wide-reaching of all organizational measures is the one that will effect a change among relevant research, teaching circles and newspaper editors on the issue of grasping the modern market economic culture. Research topics and methods, teaching material and plans, and editorial methods and so on must all be reexamined and redefined in the light of a market economic viewpoint.

Organizational measures should also consider establishing new research institutes and teaching organizations. I propose setting up "modern market economic academies" in big and coastal cities like Guangdong, Shanghai, Beijing and so on. They will mainly be responsible for teaching while launching research within the academies. The establishment of research and teaching institutes in such a way will make research keep in close contact with teaching. This is a better way at the present stage. The name "modern market economic academies" is better than names like academy of commerce or academy of economics. It is clear-cut in its position and will be more attractive. Of course, the founding of modern market economic research and teaching institutes should allow active efforts from many circles and should be pursued in a variety of ways. Only then can we get the work started.

It seems that it is highly necessary to found as quickly as possible a society of modern market economy study in China. And one of its chief missions will be to rally the broad mass of scholars, workers in the economic field

and entrepreneurs for concerted policymaking and an effort to push for research, teaching and newspaper work.

Economist Urges Freer Urban, Rural Area Flow

HK0901045293 Beijing CHINA DAILY in English 9 Jan 93 p 4

[Article: "Freer Flow Needed Between Urban and Rural Areas"]

[Text] China should tear down those barricades blocking the free flow between rural and urban areas, especially labour.

This task will dominate the readjustment of the rural industrial structure, Du Ying, a research economist at a centre under the Ministry of Agriculture. [sentence as published]

In the latest issue of the bimonthly magazine Reform, Du gave his analysis of the rural reform process and his suggestions on the tasks to focus on in the future.

According to Du, despite the three-year-long austerity, economic reform in the country's rural areas has been progressing at an unexpectedly rapid rate in recent years.

The government raised selling price of grain in 1991 and 92, by a total of 140 percent. In fact, grain prices have been freed from the government control in many regions of the country, Guangdong and Hainan Provinces, for instance.

Remarkable progress has also been made in the cultivation of the farm products market and the development of shareholding system for township enterprises, and in other areas as well.

A national grain wholesale market has been set up in Zhengzhou, Henan Province. Nine such markets have also set up at regional levels. Pilot programmes have been started in some areas to develop secondary security markets for shareholding township enterprises.

According to Du, these reform years have resulted in market regulation already playing a major role in agricultural production, at least in the sales of farm products.

If the past several years can be seen as a transitional phase when the new and the old systems were confronting each other, now the new system is growing stronger and the old one is being kicked out, root and branch.

In rural areas, the reform is going to touch the mainstays of the country's traditional strategies and mechanisms for rural economic development, according to Du.

China's rural society used to be supported by the people's commune system, the monopoly of farm products and a separation between the cities and the countryside.

As the household contract system was introduced and brushed away the people's commune system, further reform measures are needed to replace the traditional way the farm products have been distributed and to open exchanges between urban and rural areas, said Du.

However, Du continued, the task most needed now is to steadily increase the farmers' incomes.

The farmers' incomes once increased rapidly in the first few years of the rural reform, but that momentum has been halted since 1989. Although total agricultural production kept increasing in those years, the farmers' income has only increased 0.7 percent annually in the 1989-91 period.

Despite the gravity of the problem, the government unfortunately is still failing to consider the increases of farmer's income as one of its scales used in judging the rural economic development.

Du believes that right now, China should step up the readjustment of its agricultural production structure through market-oriented reforms, and the first thing to do would be to lift price controls of farm products, grains in particular.

Although the decontrol of farm products' prices in itself cannot add much to the farmers' incomes, price fluctuation in the market will help allocate production resources more effectively and economically in agricultural production, according to Du.

Since 1984, the growth of farming has been limited most of the time, because most of the farm products are never in short supply.

To better the production structure, the government is now urging the development of high-yield, high-efficiency, and high-quality agriculture instead of staying with the same output-pursuing policies it had been using.

This policy does make sense because the time is ripe for giving the role of readjusting farming structure to the market force, said Du.

According to Du, the most important readjustment should take place between the agricultural and non-agricultural sectors. More than 100 million rural labourers should be shifted to the cities by the end of the century leaving only 500 million labourers in farming, 40 percent of the country's population.

Of the current 1.1 billion people in the country, 900 million rural people are trying to make money by producing farm products for the 200 million urban consumers.

"This can never make the incomes (of the two) balance," said Du.

Since the prices of most farm products have been freed from the government control, great effort should be made all through the rest of the decade of the 1990s to

smooth the way for free flow between the rural and urban areas under the directions of market forces. And this will ultimately save the agriculture production from sluggish market demand and solve the problem of farmers' income.

Du believes that since the country's grain reserves are sufficient, it is possible to shift a large amount of farmers into non-agricultural industries.

Du agreed rural industrial structural readjustment is closely related to reform in the cities, especially the changing of the management mechanism of large- and medium-sized State-owned enterprises. But, he insisted, rural reform should go ahead of urban reform, just as it used to.

Tian Jiyun on Relaxation of Grain Price Control

HK1101083293 Hong Kong CHING CHI TAO PAO in Chinese No 1-2, 1 Jan 93 pp 81

[Text] Vice Premier Tian Jiyun, during his recent inspection tour of Heilongjiang, said that the relaxation of controls over grain prices is inevitable. With the implementation of relaxed control, the loss of grains could be cut back like those in vegetables, fruits, and aquatic products. The output of grains would probably drop somewhat within a year or two of the relaxation of controls over prices, but there is no need to panic for there are still policy means. Tian Jiyun added, the peasants would not mind the short-term results of a year or two, and the majority of them will see far. With the relaxation of controls over grain prices, controls over prices of goods and materials linked to "grains, edible oil, and cotton" would gradually be relaxed too, according to conditions; thus, the financial burden would gradually be done away with. That being the case, from a long-range view, it would be favorable to relax controls over grain prices.

It was learned that in the wake of Zhejiang relaxing controls over grain prices, conditions have been sound.

Agriculture Minister Outlines 1993 Reform Work

OW1001112493 Beijing XINHUA Domestic Service in Chinese 0836 GMT 6 Jan 93

[Report by correspondent Ma Chengguang (7456 2052 1639)]

[Text] Beijing, 6 Jan (XINHUA)—At the beginning of the new year, Agriculture Minister Liu Zhongyi called on localities to make concerted efforts and continuously carry out rural reform in 1993.

Liu Zhongyi spelled out the general outlines for this year's rural work at the National Working Conference on Reforming the Agricultural Plan in Beijing. He said that in order to give full play to the competition of a market economy, and to resolutely promote the formation and development of a socialist market economy in rural areas, the state will work out positive measures to

gradually liberalize and enliven agriculture by taking into consideration the situation of different regions, different industries, and different crop varieties. He also said that principles and policies on carrying out macro-control over the rural economy will be worked out by applying the law of price in accordance with average social profit rates and with market supply and demand. He said that while the state will render support to the production of some products, as well as to the continued operation of some industries, it will give necessary guidance to other industries and make necessary restrictions on the production of other products. To enhance the strength of agricultural development, promote science and technology in agriculture, and comprehensively raise the productivity level, the state through various channels will increase agricultural investment in the areas of finance, materials, and technology. Investment priority will be given to strengthening primary industries; the level of investment in the secondary and tertiary industries will be decided according to the level of development of primary industries. In conclusion, the agricultural minister said that in order to ensure the healthy operation of economic activities in rural areas, and to protect agricultural facilities and farmers' legitimate rights and interests, the state through the comprehensive application of economic and administrative means and the formulation of laws and regulations will enhance economic organizations in rural areas and strengthen leadership over economic activities there.

Agriculture Ministry Seeking Foreign Investment

HK1001050793 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 10 Jan 93 p 1

[Report by Wu Yunhe: "Seeking A Gold Rush"]

[Text] The Ministry of Agriculture is considering a package of incentives to lure foreign investors to China's countryside. The ministry is in charge of promoting rural economic development.

There will be a wide range of options from which foreign interests can choose to do business in rural areas once those areas open fully to the outside this year, said Hong Fuzeng, Vice-Minister of Agriculture.

"China now needs to increase its connections with foreign partners to improve agricultural technology," Hong said in an exclusive interview with BUSINESS WEEKLY.

As the nation moves toward a market economy, Chinese farmers may offer more co-operative opportunities to foreign investors as a way to improve competitiveness.

Foreign help is essential to develop such things as seed genetics, the latest in food processing and broad-based advances in biological farming research, Hong said.

By introducing foreign technology, farmers gain a starting point from which they can launch their own future technical progress, Hong said.

The ministry is currently deliberating a package of proposals aimed at developing agricultural technology. These include:

—Sino-foreign co-operation in the technology of biological control

Officials expect several projects could be signed involving Chinese and foreign partners. Of particular interest would be projects involving cell division, which is a process whereby pollutants can be broken down and disposed of harmlessly.

China is striving to limit rural pollution, which is growing as a consequence of an increase in township enterprises.

This year, the ministry is expected to designate 50 counties across the country to be models for development of a non-polluting agricultural ecosystem, Hong said. But he said the ministry currently lacks funds to set up the models.

—As one way to attract foreign interest, the ministry plans to make available the potentially rich cache of agricultural seeds.

Hong cited China has at least 10,000 kinds of genetic genes in soybean production China. They have been considered secret and not-to-be disclosed to foreigners.

"We shall use overseas help in an effort to develop the great commercial value of these seeds," he added.

—Food processing is considered the weakest link in China's agricultural production, and the sector badly needs advanced technology.

Demand for advanced foreign production lines and fully automated equipment will also prompt major Sino-foreign co-operative projects this year.

—The ministry is encouraging rural industry to set up technical foreign ventures in silk, machinery, electrical appliances and raw materials.

—China hopes to establish a pilot programme for training techniques and materials this year. The plan is to set up the pilot programme in 100 counties before 1995.

An international conference is expected this year in hopes of setting up the programme.

—Funds are expected from the World Bank to aid continued development of rural energy this year. With foreign financial help, China plans to import technology and equipment to establish 100 targeted counties for rural energy development during the 1991-95 period.

Without foreign help, China's limited financial strength can't be expected to meet the huge demand for developing the country's vast grassland, which now accounts for 75 percent of China's arable land.

Hong said the ministry is seeking to strengthen the farmers' sense of responsibility. From 1979 to 1992, the ministry garnered \$5 billion from the World Bank and other international financial institutions for agricultural development.

A total of 320 projects were established with the money, which included \$2.6 billion in loans and \$1 billion invested by foreign companies for joint ventures in China, and the remainder was given as free aid by foreigners.

Heavy Tax Burden on Farmers Viewed

HK0801135193 Beijing JINGJI RIBAO in Chinese 29 Dec 92 p 2

[Commentary by reporter Xu Baojian (6079 1405 0256): "Set Great Store by the Issue of Excessive Burdens on Peasants"]

[Text] During the last several years, the income of peasants has grown at a very slow pace, or even ceased to grow. However, an increase is registered in the burdens borne by peasants. In 1991, the average per capita expenditure of peasants in both taxes and retention submitted to the collective amounted to 42.7 yuan, up by 10.4 percent over the previous year, and seven percentage points higher than the peasants' net income. The fact that peasants have to bear unduly heavy burdens has become a prominent problem in rural economic development.

In February of this year, 744 peasants in a county in Heilongjiang Province affixed their fingerprints on a joint letter and submitted it to the central authorities accusing the township authorities of wantonly adding to their burdens and creating great difficulties in their production and life. The over-8,000-character letter, with six-and-a-half pages thickly dotted with fingerprints, seriously tells us that peasants can no longer endure the unduly heavy burdens. Some of the peasants have been landed in a very difficult situation in production and life, while many more have begun to worry about their future.

The burdens of the peasants reflect the interest distribution relations among the state, collective, and peasants, which are manifested in the following concrete forms: taxes submitted to the state; invisible burdens arising from the scissors difference between industrial and agricultural prices; arbitrary imposition of quotas with a social character for the purpose of raising funds, and imposition of fees and penalties with a managerial character; and retention and overall arrangement charges, labor service, and other burdens in disguised forms inside the rural collective economy.

Judging from the burden arising from the agricultural tax borne by peasants, the tax rate actually reduces year after year, that is, the rate stood at 11 percent during the Third Five-Year Plan period, six percent during the Fourth Five-Year Plan period, five percent during the Fifth

Five-Year Plan period, and less than four percent during the Seventh Five-Year Plan period. However, with rural industrial restructuring and the development of secondary and tertiary industries, the total amount of tax payment borne by peasants is tending to increase. In 1991, the tax payment of rural areas to the state totalled 43.47 billion yuan (of which agricultural tax payment only accounted for 21.9 percent), up by 14.7 percent over the previous year. This means that the per capita tax payment of peasants reached 49.4 yuan, up by 13.8 percent over the previous year. This made up of 8.81 percent of the per capita income of peasants in the previous year and was 0.5 percentage higher over 1990.

Ever since 1989, the scissors difference between industrial and agricultural prices has reached 16.5 percent, after expanding for three consecutive years. The difference in 1991 was 5.1 percent higher than the previous year, with an absolute amount of 200 billion yuan. During the period from 1979 to 1985, the absolute amount of the scissors difference increased at a pace of 9.5 percent each year; however, during the period between 1986 and 1991, the peasants' per capita burden in 1985, arising from the scissors difference, increased by 42 yuan over 1978, while the burden in 1991 reached 217 yuan, registering an increased of 125 yuan over 1985.

Facing various burdens, peasants are most resentful of the arbitrary imposition of quotas for the purpose of raising funds in a multitude of names. According to a rough survey made by the Department of Guiding Rural Cooperative Economy under the Agricultural Ministry, in 1991 the total amount of assessable administrative fees unwillingly paid by peasants reached 1.77 billion yuan; penalties of various kinds, 2.31 billion yuan; total amount of arbitrary imposition of quotas for the purpose of raising funds, 4.1 billion yuan; and other social burdens, 3.81 billion yuan. The aforementioned various burdens mean that the per capita payment of peasants will reach 13.8 yuan, accounting for 2.5 percent of their per capita net income in the previous year.

The State Council has stipulated explicitly that retention and overall arrangement charges submitted by peasants to rural collective economic organizations should be controlled "within five percent of peasants' per capita net income in the previous year." As a matter of fact, however, the overwhelming majority of localities have gone beyond this control line.

Meanwhile, the burden of peasants arising from labor service has also increased at a high speed. In 1991, the voluntary labor service and accumulation of labor borne by rural labor power totalled 8.6 billion standard working days, up by 21.8 percent over the previous year. If calculating the days of voluntary and accumulation labor at 4 yuan each, the total accumulated value of peasants' labor in one year will reach 34.4 billion yuan, which means 39 yuan for each peasant, accounting for 6.95 percent of their per capita net income in the previous year.

To enable 900 million peasants to lead a fairly comfortable life, the key lies in increasing their income. However, the slow growth of the peasants' income is directly resulted from their unduly heavy burdens. In 1991 the various burdens borne by the peasants made up 64.9 percent of their per capita income in the previous year, which has gone far beyond their bearing capacity. Over recent years, in a bid to lighten the burdens on peasants, the party central committee and State Council have issued orders and laid repeated injunctions; however, the burdens of peasants still increase steadily in more names and to a greater amount. A survey conducted by Jilin Province shows that although the provincial authorities only ordered to collect 26 items of fees on peasants last year, grassroots units actually imposed a total of 49 items of fees on peasants, among which 19 were forcibly collected from peasants. A peasant from the province's Yongjiu Township, Changling County, illustrated the situation with the following figures: Before 1986, the retention amount of his family stood at about 200 yuan; yet the amount increased to 400 yuan in 1989, 539 yuan in 1990, and to as much as 750 yuan last year. In Hunan's Youxian County, 21 departments imposed as many as 98 kinds of fees on peasants last year, and the total amount of these fees were 500 percent higher than the total amount of overall arrangement charges collected by township authorities and retained by villages.

Nowadays, people are apt to have a false impression that all peasants have become very rich because rural areas benefit from reform and township and town enterprises are undergoing rapid development. As a matter of fact, those who became rich first were only a minority, while the overwhelming majority have just managed to have enough to eat and wear. Therefore, we feel it necessary to emphasize here once again: "It is imperative to correctly estimate the riches of peasants!" This should be our standpoint in getting to know and working out policies on rural work.

The unduly heavy burdens of peasants can lead to serious consequences, because these burdens will not only directly affect the growth of the peasants' income, lead to a decline in their living standards, and weaken their ability in carrying out expanded production, but will also widen the gap between urban and rural areas, restrict to a certain extent the virtuous circle of the economy, and give rise to various social contradictions. The issue of the peasants' excessive burdens is not simply an economic one, but also a political one. Actions to bring unduly heavy and unreasonable burdens to bear on peasants severely infringe upon the interests of peasants, thus doing damage to the peasants' enthusiasm in production, as well as to the reputation of the party and government among the masses. Therefore, governments at all levels must avoid by all means paying no attention to the interests and calls of peasants, make earnest efforts to adopt substantial measures, and resolutely reduce the unreasonable burdens borne by peasants.

Village, Town Enterprises Develop Quickly in 1992

OW0901092193 Beijing XINHUA Domestic Service in Chinese 0331 GMT 5 Jan 93

[By correspondent Liang Shusheng (2733 2579 0581) and reporter Wang Yanbin (3769 6056 1755)]

[Text] Beijing, 5 Jan (XINHUA)—China's village and town enterprises have been developing in a high speed and set another good record in 1992. The total output value of village and town enterprises reached 1,650 billion yuan, the total profits and taxes exceeded 150 billion yuan, and the total amount of foreign exchange earned from export of commodities produced by village and town enterprises in 1992 exceeded \$20 billion. Economic results also improved and various main economic indexes rose by more than 30 percent compared with those of the previous year.

A responsible person of the department in charge of village and town enterprises of the Ministry of Agriculture said that, according to estimated reports from various provinces, the total output value of village and town enterprises in the whole country in 1992 rose by 39 percent compared with the previous year. Of which the total industrial output value rose by 40 percent over the previous year, reaching 1,250 billion yuan. The total income from sales and other labor services reached approximately 1,500 billion yuan, increasing by 38 percent compared with the previous year. The total amount of export commodities reached more than 110 billion yuan, increasing by 65 percent over that of the previous year. The income from "three forms of import processing and compensatory trade" reached more than 20 billion yuan. The total amount of foreign exchange earned from export of commodities produced by village and town enterprises exceeded \$20 billion. The total number of staff members and workers employed by village and town enterprises reached more than 100 million, increasing by more than 4 million people compared with the previous year. In addition, the productivity of village and town enterprises also increased significantly.

It was learned that, in 1992, the total output values of village and town enterprises in Jiangsu and Shandong both exceeded 200 billion yuan, being 287 billion yuan and 207 billion yuan respectively. The total output values of village and town enterprises in Zhejiang, Guangdong, Henan, Hebei and Sichuan also each reached more than 100 billion yuan. It is estimated that provinces with total industrial output value of village and town enterprises exceeding 100 billion yuan are Jiangsu, Zhejiang, Shandong and Guangdong.

According to the plan, the total output value of village and town enterprises in the whole country in 1993 will increase by more than 20 percent and exceed the 2,000 billion yuan mark.

Jiang Zemin, Li Peng Inscribe Shanghai Pudong Bank

OW1001072793 Beijing XINHUA Domestic Service in Chinese 1048 GMT 9 Jan 93

[By reporter Wang Hongyang (3076 3163 3152)]

[Excerpt] Shanghai, 9 Jan (XINHUA)—The Shanghai Pudong Development Bank formally opened today.

China's largest city has ended its more-than-four-decade history of not having a local bank. Jiang Zemin and Li Peng separately inscribed for this major event in Pudong's development and opening up. [passage omitted]

Zhu Rongji Congratulates Datong Railway Subbureau

OW0901095293 Beijing XINHUA Domestic Service in Chinese 1246 GMT 4 Jan 93

[By correspondents Wang Hong (3769 7703) and Tong Wenyi (0104 2429 5669)]

[Text] Taiyuan, 4 Jan (XINHUA)—The Datong Subbureau of the Beijing Railway Bureau held a celebration ceremony this morning to mark a breakthrough of annual transportation volume of 100 million metric tons in 1992. For this occasion, Zhu Rongji, member of the CPC Central Committee Political Bureau and vice premier, sent a congratulatory message.

In 1992, the Datong Subbureau of the Beijing Railway Bureau accomplished a transportation volume of 105.79 million metric tons, an increase of 7.43 million metric tons over 1991. Its transportation volume accounted for one-fifth of the national railway transportation volume, thus becoming the first subbureau in China's railway history to handle more than 100 million metric tons of goods in a year. The record has put it ahead of the other 55 railway subbureaus across the country.

Mainly responsible for transporting coal, the Datong Railway Subbureau handles coal transportation for the use of more than 6,000 large and medium-sized enterprises in 28 provinces, cities, and autonomous regions. It also handles the inland transportation of export coal. In order to meet market needs, the subbureau conducted a bold reform with transportation organization. After repeated experiments, it has succeeded in using a single locomotive to haul 6,000 metric tons of heavy-weight trains and two locomotives to haul 10,000 metric tons of heavy-weight trains on Datong-Qinghuandao line. Such experiments have greatly increased the transportation capacity of the subbureau and created a new record in China's heavy-weight railway transportation.

While running heavy-weight trains, the subbureau also has increased the tonnage of other trains to 4,536 metric tons per locomotive from 4,284 metric tons per locomotive. It has effectively tapped its transportation potential. Meanwhile, the subbureau also has worked hard to improve the quality of its workers and staff members as

well as its equipment and transportation level. It has improved its train operation schedule and run a large number of direct trains. As a result, the subbureau's transportation capacity has been pushed forward to a higher stage.

In his congratulatory message, Zhu Rongji said: "The subbureau's workers and staff members have worked hard, conducted bold experiments, and increased efficiency by tapping potential. They have achieved new records every year and made contributions in transporting coal for our country's coal bases and in ensuring a stable and coordinated development of national economy. I sincerely hope that all of you will continue your efforts and open another new chapter in the building of a socialist market economy."

Tian Jiyun Attends Contract Signing Ceremony

OW0901170293 Beijing XINHUA Domestic Service in Chinese 1016 GMT 8 Jan 93

[By reporter Ni Xiaolin (0242 1420 2651)]

[Text] Beijing, 8 Dec (XINHUA)—The Beijing Emporium, the Chengdu Garment Industrial Company, and the Hong Kong (Fu Hua) Group will build the Chengdu-Wangfujing Shopping Mall Company, Ltd., in a busy shopping district in Chengdu. A signing ceremony was held in Beijing today. This is the largest investment made by Beijing's business circles in a project outside Beijing. With a total investment of 600 million yuan, the

shopping mall will cover a total area of 120,000 square meters and offer shopping, recreational, and food services. Vice Premier Tian Jiyun attended the signing ceremony.

Management Publication Becomes Daily on 1 Jan

OW0901014493 Beijing XINHUA Domestic Service in Chinese 0471 GMT 4 Jan 93

[Report by correspondent Tong Junhui (0157 6511 2585)]

[Text] Beijing, 1 Jan (XINHUA)—As the year began, CHANGZHANG JINGLI RIBAO [FACTORY DIRECTORS' AND MANAGERS' DAILY], the only paper geared to the managerial needs of enterprises in China, became available to readers.

The predecessor of the paper—CHANGZHANG JINGLI BAO [FACTORY DIRECTORS' AND MANAGERS' NEWS]—started publication in 1988. A leading paper specializing in economic management and distributed at home and abroad, the paper was dedicated to cultivating a contingent of socialist entrepreneurs who are proficient in management and operations, and who are full of pioneering spirit. As a result of its vigorous efforts to promote reform and opening up in recent years, the newspaper's circulation has increased steadily, and its social and economic benefits have risen constantly.

East Region

Overseas-Invested Enterprises Develop in Anhui

OW0801022493 Beijing XINHUA in English 0206
GMT 8 Jan 93

[Text] Hefei, January 8 (XINHUA)—With the improvement of the investment environment in Anhui Province, the overseas-invested enterprises have developed rapidly in the eastern China province.

A provincial government official said that some 710 joint ventures were ratified last year, with the total investment reaching 1.12 billion U.S. dollars, among which the contractual overseas fund covered 387 million U.S. dollars.

The official said that the joint ventures ratified in 1992 equal 2.5 times the total joint ventures ratified by the beginning of that year.

Last year the provincial government authorized lower-level departments to approve foreign-invested ventures, in a bid to improve work efficiency.

He said that overseas investment has expanded from labor-intensive industries to technology-intensive industries. The overseas-invested enterprises in Anhui are mainly involved in machine-building, electronics, real estate, catering, entertainment, consultation, transportation, hotels, animal breeding, finance and commerce.

Sixth Session of Jiangsu People's Congress Opens

OW0901093193 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 4 Jan 93

[From the "News" program]

[Text] The Sixth Session of the Seventh Jiangsu Provincial People's Congress ceremoniously opened at 1030 this morning at the Great Hall of the People in Nanjing. The meeting was presided over by Han Peixin, executive chairman of the presidium of the congress. The executive chairmen of the congress attending the meeting included Han Peixin, Li Zhizhong, Xing Bai, Li Qingkui, Zhang Yaohua, Tang Nianci, and Qin Jie.

Those seated at the rostrum were Ding Guangxun, vice chairman of the National Committee of the Chinese People's Political Consultative Conference; provincial leading comrades including Shen Daren, Chen Huanyou, Sun Jiazhen, Cao Hongming, Cao Keming, Sun Han, Hu Fuming, Gu Hao, Gao Dezheng, Xu Zhonglin, (Zheng Liqin), Wu Xijun, Ji Yunshi, Yu Xingde, Luo Yunlai, Chen Minzhi, Chen Suiheng, Liu Xinghan, Zhang Chenhuan, Peng Sixun, Xu Yingrui, Han Wenzao, and Tong Fu; Wang Yongming, deputy political commissar of the Nanjing Military Region, responsible comrades of various democratic parties in the province, responsible comrades of the Provincial Higher People's Court and the Provincial Higher People's Procuratorate

including Li Peiyou and Zhao Hong, and veteran comrades Liu Lin, Zhu Jiang, and Zhou Ze.

The provincial people's congress has a total of 966 deputies, and 828 deputies attended today's meeting. The participants unanimously adopted the method of election for the current session.

Chairman Han Peixin delivered a short speech at the meeting. He said: The election of deputies from this province to attend the Eighth Session of the National People's Congress [NPC] is an important and honorable task. In our country's system of political power, the National People's Congress is the state's organization of the highest power. Doing a proper job in electing deputies to attend the NPC session will very much affect protecting the people's rights of being the masters of the country, fulfilling better the functions and duties of the organ of state power, resolutely implementing the party's basic line of one center and two basic points, and promoting the construction of the socialist legal system. He hoped that all deputies to the provincial people's congress would give full play to the spirit of democracy, perform work strictly in accordance with the law, and do a good job in electing deputies to attend the Eighth Session of the NPC.

At 1200 hours today, the presidium of the provincial people's congress held its second meeting. Shen Daren, secretary of the Jiangsu Provincial Party Committee, gave an explanation on the situation of deliberating, recommending, and selecting candidates for deputies to attend the Eighth Session of the NPC. The meeting participants adopted the recommended namelist of candidates for deputies to attend the Eighth Session of the NPC, and the namelist will be examined by various delegations to the current session of the provincial people's congress.

Earlier, the Sixth Session of the Provincial People's Congress held a preparatory meeting to adopt the namelists of members of the presidium of the Sixth Session of the Seventh Provincial People's Congress and secretary general for the session. The secretariat has 72 members, and Zhang Yaohua was elected as the secretary general for the session. The preparatory meeting also adopted the agenda for the session, which includes the election of deputies to attend the Eighth Congress of the NPC. After the preparatory meeting, the presidium of the session held its first meeting. A draft plan for election was adopted and executive chairmen of the presidium were recommended and elected at the first meeting. Han Peixin, Li Zhizhong, Xing Bai, Li Qingkui, Zhang Yaohua, Tang Nianci, Qin Jie, and Lin Qihong were elected as executive chairmen. The presidium meeting participants also decided a namelist for deputy secretary generals and the agenda for the full session.

Jiang Chunyun Attends Shandong People's Congress

SK0801055093 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 7 Jan 93

[Text] The Sixth Session of the Seventh Shandong Provincial People's Congress was ceremoniously opened in the Zhenzhuquan People's Assembly Hall of Jinan on the morning of 7 January. Liu Peng, executive member of the session's presidium, presided over the session.

At the session Li Zhen, executive member of the session's presidium, who was entrusted by the provincial People's Congress Standing Committee, delivered a report on the electoral issues before the more than 824 participating deputies. He said: The success of these electoral issues will very much affect deeply implementing the spirit of the 14th CPC Congress; better executing the party's basic line of one center and two basic points; promoting the construction of socialist democratic politics; further accelerating the pace in economic construction, reform, and opening up, prefiling the Eighth Five-Year Plan; and realizing our country's second-phase strategy of socialist modernizations. Li Zhen stressed: In conducting the electoral work this time, we should follow the central directives and the demands put forward by the provincial party committee; bring democracy into full play; do things strictly according to the legal procedure; ensure that deputies will exercise democratic power in line with the law; and successfully fulfill the electoral tasks. At the session, the participating deputies approved the electoral methods for the sixth session of the Seventh Shandong Provincial People's Congress.

Attending the session were executive members of the session's presidium, including Jiang Chunyun, Xiao Han, Wang Shufang, Xu Jianchun, Lin Ping, Zeng Chengkui, Yan Qingqing, Li Yu, Ma Xutao, Miao Fenglin, Guo Songnian, and (Qi Xiemeng). Among those who attended the session as observers were responsible comrades from the departments of the provincial people's government and the provincial level organs.

Beginning from the afternoon of 7 January, the participating deputies held group discussion on the namelist of candidates for the delegates to the Eighth National People's Congress.

Present at Session Closing

SK1001043293 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 9 Jan 93

[Excerpts] The Sixth Session of the Seventh Shandong Provincial People's Congress successfully concluded at the Zhenzhuquan People's Assembly Hall of Jinan on the morning of 9 January. The session elected 179 deputies of the province to the Eighth National People's Congress. Wang Shufang, executive member of the session's presidium, presided over the ceremony held on the morning of 9 January. [passage omitted]

The session called on the people of all nationalities throughout the province to profoundly implement the guidelines of the 14th CPC National Congress, to seek truth from facts, to forge ahead in unity, and to conscientiously attend to the work under the leadership of the CPC Central Committee, with Comrade Jiang Zemin as the nucleus. The session called on the people to implement these things to make even greater contributions to reform, opening up, and economic development.

Attending the closing ceremony were Jiang Chunyun, Li Zhen, Lu Hong, Xiao Han, Xu Jianchun, Lin Ping, Zeng Chengkui, Yan Qingqing, Li Ye, Ma Xutao, Miao Fenglin, Guo Songnian, and Xu Xuemeng, executive members of the session's presidium.

Shandong Reaps 'Bumper' Animal Husbandry Harvest

SK0901111993 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 8 Jan 93

[Text] In terms of animal husbandry, 1992 was the 14th year of a bumper harvest. Output of animal husbandry is expected to reach 23 billion yuan, accounting for 28 percent of the total agricultural output value. The per-capita income of peasants from animal husbandry is estimated at 200 yuan, an increase of 30 percent over the previous year, thus initially showing the important role of animal husbandry's breakthrough in developing high-yield, highly efficient agriculture.

On 8 January, at the provincial animal husbandry meeting, Vice Governor Wang Jiangong pointed out that this year we should advance animal husbandry in large domestic and foreign markets. Animal husbandry departments at all levels should set up their information networks as quickly as possible to collect information on domestic and foreign markets and to organize and guide production in line with market demands. At the same time, animal husbandry departments should further strengthen the construction of markets, invigorate large-scale circulation of animal husbandry products, and promptly relax control over policies to let peasants freely develop the household and appropriate-scale breeding. In addition, we should engage in reprocessing of animal husbandry products and improve the quality of animal husbandry products in order to make the products more competitive in world markets.

Shanghai Industry Records 'Rapid' Development

OW1001063893 Beijing XINHUA in English 0522 GMT 10 Jan 93

[Text] Shanghai, January 10 (XINHUA)—Industry in Shanghai, the largest economic center in China, witnessed a rapid growth in industry last year, according to the city's statistics bureau.

In 1992, the city had a total industrial output value of 242.072 billion yuan (about 43 billion U.S. dollars), an increase of 21.4 percent over the previous year; the city's

sales volume of industrial products reached 237.588 billion yuan, increased by 20.6 percent over the year before.

The bureau attributed the city's rapid industrial growth to the adjustment of its industrial product mix last year.

Last year, the city's production of Santana cars increased by 1.9 times; digital program-controlled telephone exchange, by 88.3 percent; the output of household air-conditioners reached 130,000, an increase of 1.7 times; the output of video recorders reached 68,000, an increase of 2.4 times.

Meanwhile, the city's large- and medium-sized state enterprises also developed rapidly with their sales volume reaching 147.312 billion yuan, representing a 16 percent growth over 1991. The state enterprises accounted for 56.2 percent of the city's total increased sales volume.

With the development of the Pudong New Area, the city formed an export-oriented industrial pattern.

In 1992, the Pudong New Area realized an industrial products sales volume of 30.065 billion yuan, an increase of 25.3 percent over the year before, 4.7 percent higher than the city's average. The new area accounted for 12.7 percent of the city's total sales volume of industrial products.

The city's export volume in last year reached 30 billion yuan, increased by 22.5 percent over the year before.

In addition, the city's investment in heavy industry was 14.5 percent higher than that in light industry.

Shanghai Customs Sets Import, Export Records

OW1001034293 Beijing XINHUA in English 0314
GMT 10 Jan 93

[Text] Shanghai, January 10 (XINHUA)—Shanghai customs set new records in handling imports and exports and number of entry and exit, according to a customs official.

Xu Feng, deputy director of the Shanghai customs, released the following figures at a press conference here Saturday [9 January].

The value of imports and exports totalled 25.15 billion U.S. dollars in 1992, indicating a 23.2 percent increase over the previous year. The imports reached 13.18 billion U.S. dollars, a 28.5 percent increase over the previous year, and exports, 11.96 billion U.S. dollars, a 17.9 percent increase.

The throughput of containers in Shanghai totalled 571,900, representing a 51.2 percent increase over the previous year, while the number of travellers through the customs reached 1.37 million, 27.1 percent more than 1991.

Xu said the exemption of tariffs and other taxes amounted to the unprecedented 2.608 billion yuan. Most of the tax exemption and reduction were enjoyed by foreign investors, or for the construction of Pudong area (east of Huangpu River), the three economic development zones in Puxi (west of Huangpu River), technological renovations and some public utilities projects.

Shanghai's own exports reached 6.5 billion U.S. dollars, including goods worth 1.06 billion U.S. dollars from foreign invested enterprises, and its imports attained 5.08 billion U.S. dollars, adding two more records.

Shanghai's First Stock Paging Switchboard Opens

OW1001183393 Beijing XINHUA in English 1612
GMT 10 Jan 93

[Text] Shanghai, January 10 (XINHUA)—The first finance and stock information paging switchboard in Chinese was opened to businessmen here on Saturday.

Now 500 customers have attained such information receivers, which enables them to receive the latest information on finance and stocks from Shanghai and Shenzhen in their homes.

This system, jointly developed by Shanghai Guomai Industrial Co. Ltd. and Shanghai Securities Exchange, can show finance and stock information, first the Shanghai stock listing and then that in Shenzhen, on liquid crystal screens of receivers in Chinese.

The system can also serve as wireless pagers and store 680 Chinese and English characters in 18 groups with as many as 70 Chinese characters in each group.

Also it can delete useless data and protect useful information.

Central-South Region

Commentary on Journalism by Guangdong's Xie Fei

OW0901101293 Beijing ZHONGGUO JIZHE in
Chinese No 10, 15 Oct 92 p 1

[Commentary by Xie Fei, secretary of the Guangdong Provincial CPC Committee: "Do a More Effective Job in Publicizing Reform and Open Policies Through Improving the Quality of Journalists"]

[Text] The important talks which Comrade Deng Xiaoping made during his inspection tour in southern China have helped us acquire a new and clearer understanding of many major issues. When he inspected Guangdong, he repeatedly underscored the need to adhere firmly to the party's basic line, to accelerate the pace of reform, opening up, and economic construction. Meanwhile, guided by the talks, people on various fronts are summing up their experiences and striving to do their jobs even better and contribute even more to the endeavor to achieve the new objectives. Our media, as the forerunner, must continue to focus their attention on

economic construction, devote more time and space to publicizing reform and opening up, and achieve better results in publicizing reform and opening up.

To achieve better results in publicizing reform and opening up, we must continue to make efforts to build a stronger contingent of journalists, heighten their awareness of reform and opening up, and improve their proficiency.

First of all, our journalists must consider their political quality as important. Our journalists must upgrade their proficiency in Marxist theory, become more knowledgeable about policies, dedicate themselves selflessly, and demonstrate professional ethics. Reform and opening up are unprecedented endeavors. While we have no precedence to follow, we cannot mechanically copy foreign patterns. We cannot simply rely on our perceptual knowledge to comprehend the new things appearing in the process to reveal their essence. On the other hand, the readjustment of interests during the course of reform will lead to numerous contradictions and frictions, and people can hardly achieve a consensus of views in a short time. This requires us to have a firm grip on Marxist thinking and methodology as well as the essence of Marxism, namely seeking truth from the facts. Only by doing this can we stand high, see far, take overall interests into account, understand the whole situation, and accurately reflect the actual conditions so that they can advance reform, opening up, and economic construction. The policy governing the ongoing reform programs is strong. In this sense, how successful the media treat the successes achieved in these programs also reflects journalists' comprehension of policies. No matter how subjectively one may wish, each and every news report is a report which publicizes policy. Thus, we cannot do a good job in publicizing policies and promoting reform and openness until we have a thorough understanding of policies.

Reform, opening up, and the development of the commodity economy have one aspect in common, namely how to handle material benefits properly. Specifically because of this, it is particularly necessary for party propaganda organs to uphold the principle governing party character. While the media must attend to their operations' economic returns, journalism itself should not be influenced by money. Acting as the people's eyes, ears, and mouthpiece, it is particularly necessary for our journalists to guard against such misconduct as "using reports for personal interests," and "trading reports for money." To this end, we should foster a spirit of selfless dedication as well as professional ethics. When this job has been properly done, we have protected the image and reputation of reform and opening up in one aspect, and the accomplishment is in itself the most convincing publicity work promoting the results of reform and opening up.

Journalists' professionalism also has direct effects on the results of publicizing reform and opening up. When journalists have different stances or views, they look at

the same thing through different perspectives. Similarly, a report about the same issue can have different effects when it is presented differently in terms of the angle, style, and language used and the way it is edited and refined. Journalists must be trained to be news sensitive, incisive in analysis, accurate in judgement, and lively in expression, because all these elements have direct effects on the results of publicizing reform and opening up. Skills come from constant practice. To be well versed in the journalistic field, our journalists must work hard to learn, to cover news, to ask questions, and to write. In these years when we have embarked on reform and opening up, information, time, and efficiency are all considered assets. This requires us to work hard to write short, penetrating, and expressive reports quickly. I hope our journalists will display the spirit of reform and write more and better news reports which meet the requirements of this era of reform. To keep pace with the development of the situation, journalists should also be jacks of all trades. In other words, they should be able to cover, edit, and write news reports and take pictures, and be able to do practical work as well as make theoretical judgements.

Conducting in-depth investigation and study is a basic requirement for journalists. This requirement must be energetically encouraged because journalists need to do this so that they perform more competently in reporting about reform and opening up fully, accurately, and deeply, and so that journalists can improve their way of doing things through establishing contacts with the masses. We can say with certainty that journalists cannot possibly report the actual state of reform and opening up if they fail to have first-hand materials and only copy readily available information or report without fully understanding the whole situation. Today, new developments occur every day in these areas that have embarked on reform and opening up. The process of reform is marked by the creative efforts of thousands upon thousands of people. This process is replete with vivid stories and experiences as well as problems which our journalists ought to know. Our journalists should also publicize issues having to do with the course, the law, and the essence of various developments. News reporting must be timely and fast. This is particularly necessary today when our commodity economy is developing and when competition in the market has become increasingly fierce. But this does not mean we should not spend time and energy on investigation and study. The promptness and tardiness of news reports are a dialectical unity. These two things can complement one another. When all preparations have been made, our actions will be swift at crucial moments, and we will also be able to observe issues incisively and report them properly. To improve the quality of our work in publicizing reform and opening up, we should draw up plans, and then, with specific objectives in mind, organize our journalists to go deep into the realities of life to face the masses and to investigate and study, which is a basic requirement.

This era of reform and opening up provides ample space for our journalists to demonstrate their skills and talents.

We expect large numbers of outstanding reporters, editors, commentators, columnists, and program hosts will be able to distinguish themselves during the course of publicizing reform and opening up.

Guangdong's Major Economic Indicators Rise in 1992

OW0701200093 Beijing XINHUA in English 1458
GMT 7 Jan 93

[Text] Guangzhou, January 7 (XINHUA)—Exports from southern China's Guangdong Province increased remarkably last year, hitting 18 billion yuan-worth, up 31.6 percent over the previous year.

Lu Ruihua, deputy governor of the province, said today that all major economic indexes of the province rose markedly last year and that the province has fulfilled the tasks set for the year 2000 eight years ahead of schedule.

Domestic gross product last year is estimated to reach 218.39 billion yuan-worth, 18.7 percent more than last year's figure and quadruple that in 1980.

In addition, Lu revealed that Guangdong signed 26,208 items of economic and technological co-operation last year, with a contractual investment of 46.243 billion yuan. Out of the total number of projects, 23,480 items have been implemented, involving a total investment of 31.411 billion yuan.

Guangdong Economist Says Economy Needs 'Tuning'

HK1001081093 Guangzhou NANFANG RIBAO in Chinese 4 Jan 93 p 6

[By staff reporter Wen Jianming (2429 1696 2494): "Liu Guoguang Comments on Current Economic Situation—Not Yet Overheated, But Needs Fine Tuning"]

[Text] "China's economy is not yet overheated, but there is the danger of it becoming so; it needs to be promptly fine tuned." Famous economist Professor Liu Guoguang [0491 0948 0342] aired this view in an interview with reporters in Guangzhou not long ago.

Professor Liu stated that China's industrial growth rate in 1992 was expected to be 20 percent and that the national economic growth rate was approximately 12 percent; it was 11 percent in 1988. From a rate perspective, that was almost the same as 1988. On this basis, some people believed that an overheated economy had surfaced, pointing to overheating in investment, real estate, development zones, and securities. This explains the call for applying the emergency brake to reduce speed. Others believed that China's economy is still on the rise, and is likely to stay that way; they advocate a policy of continuing growth as long as the economy is still capable of growing. Professor Liu did not agree with either of these views.

Professor Liu expressed his belief that China's economic situation today is different from that of 1988, but the economy is not yet overheated. First, the economic development periods are different. The year 1988 represented the peak of consecutive years of high-rate economic growth, whereas 1992 has been the upturn following the low-rate growth of the two previous years; therefore, it had the nature of an economic rebound. Second, economic growth in 1992 was due chiefly to the pull of investment, and a consumption explosion was not on the horizon; therefore, the situation was different from 1988, which saw expansion in both investment and consumption. Presently, there is great demand for investment but not for consumer goods. The range of price increases for investment articles has been rather wide, but that of consumer goods has been only 5-6 percent, being greatly lower than the 18 percent in 1988. In general, supply and demand are basically balanced today. Third, the income of consumers increased in 1992, even with the price rise factor deducted. In 1988, it was otherwise. Today, consumers are at ease and do not see price increases on the horizon. Panic, therefore, is unnecessary.

Professor Liu indicated that the current economic situation is not yet overheated, but it has the potential of becoming so. First, the investment structure has not been rational; in particular, there are too many newly built industrial processing enterprises, which are characterized by scarcities in raw materials, deficient infrastructure, and a distorted overall structure. The restriction of the existing bottlenecks is consequently making itself more urgently felt. Should this continue, it would be very dangerous. Second, over the past two years, the volume of banknotes issued has been relatively large, with a view to starting the market and breaking "debt chains" through more loans. The rate of increase in banknotes was approximately 20 percent—higher than the 12 percent national economic growth rate. All this demonstrates that the danger of inflation exists.

Targeting the current economic situation, Professor Liu set out the policy of "fine tuning," specifically, neither applying the emergency brake nor letting the economy run its own course, but promptly and appropriately controlling the scope of investment, credit loans, and money issuance. Regarding the means of "fine tuning," Professor Liu believed that, under the condition of a not quite healthy and complete market mechanism, planned tuning and regulation are unavoidable. In a grave tone and with sincerity, Professor Liu concluded: Should fine tuning fail to be conducted promptly, an overheated economy would probably reappear in the second half of 1993. It would be more preferable to fine tune the economy today than make a major readjustment in the future. In this way, the range of economic fluctuation would be reduced.

Henan's Li Changchun on Agriculture, Enterprises

HK0801112093 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 30 Dec 92

[Excerpts] On 28 December, provincial Party Secretary Li Changchun and Vice Governor (Li Chengyu) inspected Lingang town and commerce and trade city in Xinyang Prefecture, Xinyang County, and Xinyang's (Jinniu Zhang) administrative district, Binghe Market, Food Street, and other places. They listened to reports by leaders of administrative offices of the prefectural CPC committee on work over the past year and more since last year's floods and they gave important speeches.

Li Changchun said: Since the provincial CPC committee and provincial government did on-the-spot work last year, and especially since Deng Xiaoping gave remarks during his southern tour, there has been a very great change in the ways of thinking and concepts of Xinyang Prefecture's cadres and people, as well as a great change in their spiritual condition. A good beginning has been made in invigorating the local economy. I hope that we can develop this good trend, continue to emancipate the mind, broaden our minds, rouse ourselves to catch up, and change economic backwardness as soon as possible. Concerning agricultural problems, Li Changchun pointed out: Xinyang Prefecture is a comparatively large agricultural region. As for thoroughly invigorating its economy, the question of how the vast numbers of rural areas can invigorate the economy is a comparatively large topic. [passage omitted]

Agricultural and rural work at the present time is at a turning point, that is, for a time long farm product shortages, like the temporary relative surpluses of farm products, have badly needed a change of direction to open markets and a change from the long-practiced planned economy and product economy to the socialist market economy. Under these circumstances, governments at all levels must correspondingly change their ideas and concepts in leading agriculture and in their work styles. [passage omitted]

As for enterprise reform, Li Changchun stressed: The recent Henan Provincial CPC committee and government's decision on further implementing the Regulations Governing the Change of the Operational Mechanisms of People-Owned Industrial Enterprises, decision on vigorously developing the collective economy of cities and towns, and decision on further increasing the development of the individual private economy match one another and embody the idea of considering socialist public ownership as the main body while vigorously developing various other economic elements. [passage omitted]

As for the collective economy of cities and towns, Li Changchun said: It is a very active force and can quickly alleviate the employment problem and boost the local economy. This is a question of the development of individual and private enterprises. [passage omitted]

Southwest Region

Chen Kuiyuan Speech to Tibet Party Plenum

OW1101063193 Lhasa Tibet Television Network in Mandarin 1225 GMT 28 Dec 92

["Excerpt" of speech by Chen Kuiyuan, secretary of the Tibet Autonomous Regional CPC Committee, to the Fourth Enlarged Session of the Fourth Tibet Autonomous Regional CPC Committee on 25 December]

[Text] [Video shows Chen Kuiyuan seated on a rostrum reading from a script; camera occasionally pans the meeting hall and the audience]

We must step up party building and raise the level of the party's leadership to ensure the smooth progress of reform, opening up, and the development of the two civilizations.

The region's reform, opening up, and economic construction have entered a new phase of development. To accelerate the pace of reform, opening up, and economic construction, we must step up party building, raise the level of party leadership, and persist in promoting both the material and spiritual civilizations to ensure all-around implementation of the party's basic line.

1. Strengthen the party ideologically.

We must arm the whole party with the theory of building socialism with Chinese characteristics. This is crucial to strengthening and improving party leadership and raising the level of party leadership in the new period and a fundamental task of the party's ideological buildup. Only by arming their minds with this ideology will leading cadres at all levels and all party members be able to avoid falling behind in the ongoing second revolution, and be qualified to speak and command. In studying theory, we must have a definite objective in view and apply what has been learned in solving real problems in ideology and practice. We must, first of all, emancipate our minds, renew our mindset, and replace all the worn, outdated ideas, views, and modes of thinking with the theory of socialism with Chinese characteristics. Second, we should use this theory to guide the practice of economic construction, reform, and opening up, and accelerate the pace of economic development. Third, we should use this theory to uphold and develop the socialist cause and guide us to successfully accomplish the historical tasks for the primary stage. Fourth, we should use this theory to strengthen and improve party leadership and truly build party organizations at all levels into a fighting force leading the broad masses of people in carrying out the socialist modernization drive. Fifth, we should use this theory to analyze the domestic and international situations and to guide the struggle against separatism so as to safeguard the unification of the motherland and strengthen the unity among all nationalities. Only by doing so will we be able to meet

the needs of the development of the new situation and shoulder the heavy historical mission entrusted to us by history.

2. Strengthen leading bodies as an organizational guarantee for reform, opening up, and economic construction.

We should select and promote cadres in line with the criterion of making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent, and with the principle of stressing both political integrity and professional competence. We should strive to build leading bodies at all levels into a united, militant, innovative force at the core leading the Chinese people in successfully building socialist construction. Our cause is a great, unprecedented socialist construction that requires large numbers of backbone leading cadres. If we are unable to widen the range of our search and appoint people with competence and integrity, it will affect our work adversely because of a lack of competent personnel. Moreover, we must firmly break with the old notions of following seniority and seeking absolute perfection. We should, in line with the practice of recommendation by the masses and screening by the party organization, boldly select and promote cadres who have resolutely implemented the party's basic line, given outstanding political performances and dared to make reforms; blaze new trails; and advance in economic construction, reform, and opening up, and in the struggle to stabilize the situation and to oppose separatism.

To meet the needs of reform and opening up, we must also promote to leading bodies at all levels young and middle-aged cadres who are proficient in economic work and have good leadership skills so as to ensure that we do not lack successors to carry on the cause.

3. We must adhere to the principle of doing two things simultaneously in order to create a good social environment for reform, opening up, and economic construction.

To accelerate the pace of reform, opening up, and economic construction in our region, we need to have a stable social environment and to mobilize the people of all nationalities and all sectors in the region to safeguard the unification of the motherland, strengthen the unity among all nationalities, and effectively develop the struggle against separatism to maintain social stability. This is our long-term task. We must uphold in a clear-cut manner the four cardinal principles and resolutely strike at the criminal activities of separatists. In our effort to improve social order, we must adhere to the principle of the comprehensive method of combining enforcement with prevention and of solving problems as well as the root of the problems in order to deal effective blows at criminal activities endangering social order and threatening the safety of the masses, to safeguard social stability, and to ensure the smooth progress of reform and opening to the outside world.

4. We must correctly implement the party's united front policy and strengthen work on nationalities and religion.

To accelerate the pace of reform, opening up, and economic construction in our region, we must closely rely on the masses of peasants and herdsman, workers, and intellectuals; rely on the great unity among the various nationalities; rely on the broadest united front; and bring all positive factors into play. As socialist modernization constitutes the common interests and the cause of the entire Chinese nation, we must arouse and enhance the enthusiasm, initiative, and creativity of all people to work together to create common prosperity.

The united front is the priceless tradition of the party. In the new historical period, it is of great and new significance to have an unprecedentedly broad united front. Regarding the relationship between the party and the democratic parties, we must uphold the basic principles of long-term coexistence and mutual supervision, treating each other with all sincerity, and sharing weal and woe; and we must actively create the conditions for patriotic people of all nationalities and all strata to participate in the administration and discussion of state affairs, and to exercise democratic supervision. In the new historical period, our priority task on nationality work is to accelerate economic and social development in nationality minority areas, to emancipate and develop the productive forces there, and to bring about common prosperity and progress among all nationalities. Only by developing the economy can we invigorate the nation and consolidate and develop the new socialist relationships among nationalities.

We should educate all party members and young people in general on the Marxist outlook on nationalities. We should adopt a stance of loving the country and socialism, and foster an awareness that all fraternal nationalities are inseparable from each other. We should oppose the bourgeois outlook on nationalities, separatism, and regression.

We should strengthen the leadership over work related to religion. The primary tasks of the party and the government in religious affairs for some time to come are: To earnestly implement the party's policy toward religions; to protect citizens' freedom and right of religious belief; to step up education on patriotism and socialism among religious believers and religious celebrities; to mobilize positive factors and support the sound undertakings of religious circles; to consolidate and develop the patriotic united front embracing religious circles; to supervise religious affairs according to the law; to stop and deal blows against criminal activities perpetrated in the name of religion; and to resolutely combat the infiltration of religious hostile forces outside the autonomous region, thereby contributing to the safeguarding of stability, enhancement of unity, unification of the motherland, and revitalization of the Chinese nation.

5. Step up efforts to improve party style and promote clean administration, and forge closer ties between the party and the masses.

Stepping up efforts to improve party style and to promote clean administration is an important component of our endeavor to intensify party building. We must see to it that rectification of party style and promotion of clean administration are regarded as major tasks, and we must make determined efforts to achieve tangible results, so as to win the people's trust. In stepping up efforts to improve party style and to promote clean administration, leading bodies and cadres should play an exemplary role. High and middle-ranking party cadres, in particular, should set strict demands on themselves and should be role models in combating decadent phenomena. We should establish and improve responsibility systems for improving party style and promoting clean administration, and we should periodically inspect the implementation of systems for improving party style and promoting clean administration. We should dare to identify and resolve problems in existence, duly investigate and punish violators of law and discipline regardless of their position, and resolutely overcome laxity, weakness, and inefficiency in enforcing party discipline. Party committees at all levels should render firm support to discipline inspection commissions and supervisory departments in enforcing party discipline and state laws, and should support them in exercising powers and functions and fighting corruption. In stepping up efforts to improve party style, we must oppose formalism and bureaucratism, and stress resolve and expeditiousness or the spirit of making determined efforts to successfully carry out whatever undertaking that is chosen. Leading cadres at all levels should work innovatively while effectively summarizing experiences in the practice of reform and opening up. It is necessary to fully affirm an undertaking that has proved correct while earnestly summarizing experiences from errors and making timely remedies. We must earnestly change our work style, go deep into realities to conduct investigations and studies, and work diligently for the people. People at higher and lower levels throughout the region should go into action in a genuine sense, tell the truth, make solid efforts, strive for substantive results, and work hard and in a down-to-earth manner in accomplishing the party's tasks in all fields.

Comrades, now that all major political principles and main tasks have been clearly defined, it is of utmost importance to heighten the spirit and to work hard and conscientiously to translate goals into realities. Let us, under the guidance and inspiration of the 14th congress guidelines, unite more closely, further emancipate our minds, update concepts, accelerate the pace of reform and opening, push the national economy to a new stage of development as early as possible, and strive for Tibet's all-around social progress.

Thank you all.

Tibet Promotes Export-Oriented Economy

OW0701062393 Beijing XINHUA in English 0524 GMT 7 Jan 93

[Text] Lhasa, January 7 (XINHUA)—The Tibet Autonomous Region is boosting its export-oriented economy by opening border areas and extending inter-regional cooperation.

Limited by the historical and natural conditions, Tibet practiced running a self-sufficient economy until the 1980s when the region switched to the reform and opening up policies.

Last year saw the regional government work out a number of regulations and rules to enhance the policies and release two projects for cooperation with other parts of the country.

A survey report shows that more than 20 provinces, autonomous regions and municipalities have opened enterprises in the region, which has over 40 cooperative projects with other parts of the country.

Tibet has 10 border counties with trade posts and export-oriented economic development zones.

In addition, Tibet has encouraged more state, collective and individual industrial enterprises from the region and other parts of the country to work in its border areas in a bid to increase border trade.

According to statistics, the region's imports and exports amounted to 57.72 million U.S. dollars last year, an increase of 66.3 percent over 1991.

Yunnan Secretary, Governor Attend Conference

HK0801101093 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 30 Dec 92

[Excerpt] [Passage omitted] Yesterday afternoon, provincial party Secretary Pu Chaozhu, Governor He Zhiqiang, Vice Governor Bao Yongkang, other comrades in charge of relevant provincial departments, and leaders in charge of agriculture of the Kunming City CPC Committee and Government attended a video-teleconference at the subvenue of Kunming to carefully listen to and watch State Council Premier Li Peng's important speech on agricultural and rural work. They also listened to and watched the governors of Jilin, Jiangxi, and Gansu introduce their experiences at the video-teleconference. After the conference ended, Governor He Zhiqiang stressed: CPC committees and governments at all levels must further strengthen investigation and study of agricultural and rural work, work harder to resolve the problems that peasants have pressingly raised, and conscientiously preserve the peasants' initiative in growing grain. It is necessary to conscientiously implement the spirit of General Secretary Jiang Zemin at the Symposium on the Agricultural and Rural Work of Six Provinces and the spirit of Premier Li Peng at the video-teleconference on agricultural problems, and to contribute to further upgrading the province's agriculture.

Northeast Region

Heilongjiang's Sun Weiben Attends Work Meeting

SK1101062093 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 9 Jan 93

[Text] The provincial party committee and the provincial government held a telephone conference on the afternoon of 9 January to implement the guidelines of the central rural work forum and of the national rural work teleconference. At the conference, Vice Governor Chen Yunlin relayed the 10 measures adopted by the provincial party committee and the provincial government for maintaining agricultural development.

Attending the conference were Sun Weiben, secretary of the provincial party committee; Ma Guoliang, deputy secretary of the provincial party committee; Chen Yunlin and Sun Kuiwen, vice governors of the province; and responsible comrades of more than 40 units directly under the provincial authorities.

Governor Shao Qihui presided over the conference, and Vice Governor Chen Yunlin made a speech at the conference.

The 10 measures adopted by the provincial party committee and the provincial government for maintaining agricultural development are as follows:

1. We should fulfill on schedule the state quotas for contract purchases of grain, appropriately increase the reserves of grain for special use, try every possible means to accelerate the contract purchases of grain, and strive to procure and store all contracted grain and the grain reserved for special use before Spring Festival. At the same time, we should procure and store all the grain purchased at the negotiated price and that which is covered by the plan within the grain fiscal year. Local grain departments should on no account set a limit for purchases of grain, refuse to purchase, lower the grade and prices, or pocket a portion of the peasants' profits. The provincial authorities are making great efforts to obtain the state special quotas for increased grain appropriations. All localities should attach importance to helping peasants sell their grain, and should strive to mobilize and organize supply and marketing co-operatives, commercial departments, [words indistinct] as well as urban and rural individual households to market grain through diverse channels. Railway transportation departments should provide convenient conditions for transporting grain and should give priority to arranging for grain transportation plans. Peasants should also store up an appropriate amount of grain in line with the demand of the market economy.

2. We should pay the money owed to grain-selling peasants in a timely manner to solve the problem concerning the IOU slips. Governments at all levels must pay great attention to this work, and should assign personnel to each level to assume responsibility for this

work. As defined by the provincial government at the meeting held in Suihua on 30 December 1992, the money owed the peasants who sold beets according to contracts should be paid to them by 70 percent and the money owed to the peasants who sold flax should be paid to them by 60 percent before 15 January. The agricultural and sideline products purchasing funds allocated by the provincial people's bank to specialized banks must be allocated to [words indistinct] in full amount. The money allocated by the provincial financial department to refund the contract grain purchases must be used to subsidize the losses of grain enterprises and must be used as the working fund to purchase autumn grain. The funds raised by grain and light industrial departments themselves to tap their potential must be put in place in a timely manner and must be used appropriately. We should conscientiously ensure the funds to purchase beets. Financial departments at all levels should resolutely refund all the money that should be refunded. Sugar refineries should strive to press the issuance of loans. The beet purchasing funds, which are allocated by the provincial people's bank to support specialized banks, should be again allocated by specialized banks to lower levels by 200 percent in the base figure. We should continue to popularize the methods of substituting loans for delivery of grain, exchanging fertilizer with grain, and substituting taxes for delivery of grain to tap potential in raising funds through diversified channels. The money which should be paid to peasants for purchasing agricultural and sideline products should never be retained, delayed, or diverted to any other purpose by any unit or individual on any excuse. Office departments and auditing and supervisory departments at all levels should immediately begin conducting examination and supervision over the payment of funds to grain-selling peasants. The fund leading group of the provincial party committee has been on duty day and night beginning on 6 January to solve problems on time. The provincial government will send 10 work teams to examine whether the funds are put in place.

3. We should check all sorts of financial levies and apportionments that violate regulations to actually lighten the burdens on peasants. Headed by agricultural commissions at all levels, we should immediately organize forces to conduct a thorough processing of the documents related to peasants' burdens. Those examination and approval powers and those documents which run counter to the related regulations of the State Council should all be abolished. Those which contravene the State Council's regulations should all be declared invalid. Those which add burdens to peasants should be investigated according to law and handled resolutely. All localities should organize personnel to conduct investigation of items affecting the peasants' burdens department by department and item by item beginning in February.

4. We should continue to carry out the preferential policies on supporting grain production. This year, in implementing the policy of linking grain purchases with

the supply of fertilizer, diesel oil, and purchase deposits, we should continue to persist in the standards of last year. We should convert into cash the difference between the parity price and negotiated price of the fertilizer and diesel oil, which are linked with grain purchases, and use this cash to increase the price of the grain purchased in the form of contracts.

5. We should develop the processing of grain through diverse channels and strive to make the actual grain processing capacity reach 30 billion kg by the end of the Eighth Five-Year Plan period.

6. We should vigorously support the major grain production areas to develop the economy, firmly grasp the comprehensive development of agriculture, and firmly grasp the building of the 38 grain base counties and the six high-output, fine-quality, and highly efficient agricultural base counties.

7. We should improve the grain managerial and operational systems. In purchasing grain, we should carry out seasonal price differences. We should establish and perfect the (primary grain markets of four levels) and the regional wholesale markets, and develop high-level grain barter trade. We should promote the enterprise-oriented management of grain and the diversion of the quotas for the grain reserved for special use.

8. We should protect the resources of cultivated land and stabilize the acreage of grain fields.

9. We should increase the fund and materials input in agriculture. The scale of agricultural loans this year is expected to increase by 5 percent over last year.

10. We should accelerate the agricultural structural readjustment, stabilize grain production, invigorate animal husbandry, vigorously develop township and town enterprises, and develop the rural economy in an all-around manner.

Jilin's He Zhukang Speaks at CPPCC Session

SK1001083493 *Changchun Jilin People's Radio Network in Mandarin 1030 GMT 9 Jan 93*

[Report on the opening of the first session of the Seventh Jilin Provincial Committee of the Chinese People's Political Consultative Conference]

[Excerpts] New Year's Day has just passed, and the Spring Festival is about to arrive. Now we are witnessing another major event in the people's political life. The first session of the Seventh Jilin Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] has ceremoniously opened today at Nanhu Guesthouse in the city of Changchun. [passage omitted]

Liu Yunzhao, Fang Jianyu, Zhang Tienan, Hu Houjun, Feng Xirui, Li Guotai, and [words indistinct], executive members of the presidium of this session, were seated at the rostrum. Attending the opening ceremony were leading comrades of the provincial party committee, the

provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial Discipline Inspection Commission, and the provincial Military District, including He Zhukang, Gao Yan, Huo Mingguang, Li Changxing, Wang Jinshan, Xiao Han, Feng Ximing, Zhou Zhenkang, Liu Xilin, and Cheng Shengsan. [passage omitted]

At 0930 Liu Yunzhao, chairman of the provincial CPPCC Committee, ceremoniously opened the session. [passage omitted]

He Zhukang, secretary of the provincial party committee, made an important speech, "Plan Matters Together, Forge Ahead in Unity, and Make Even Greater Contributions to the Province's Socialist Modernization." He said:

[Begin He Zhukang recording] Fellow comrades, the first session of the Seventh Jilin Provincial CPPCC Committee opened today. This is a major event in the political life of the people of all nationalities throughout the province. On behalf of the Jilin provincial party committee, I extend warm congratulations to this session. [end recording]

After fully affirming the achievements of and contributions made by the sixth provincial CPPCC Committee over the past five years, He Zhukang dwelt on four opinions: The first opinion is to seek unity of thinking in line with the guidelines of the 14th CPC National Congress and to acquire a profound understanding of the historical mission of the CPPCC during the new period. He points out: The 14th CPC National Congress is extremely important in the history of our party, which inherits the revolutionary cause pioneered by our predecessors and forges ahead into the future. The fighting goals set by the 14th CPC National Congress are great but arduous. Establishing a socialist market economic system is a profound change. Accelerating the pace of the socialist modernization and attaining the goal of enabling the people to lead a comfortable life by the end of this century is a significant and strategic task to change our country's outlook. As a patriotic and united front organization led by the CPC, the CPPCC should, through political consultation and democratic supervision, fully pool the wisdom and intelligence of all democratic parties and patriotic figures, and voluntarily and enthusiastically work to make the policy decisions of party committees and governments at all levels even more scientific, democratic, and correct. Thus, various policy decisions will be implemented accurately, and the fighting goals defined by the 14th CPC National Congress will be accomplished smoothly.

The second opinion offered by He Zhukang is to give full play to the role of the CPPCC in accelerating reform, opening up, and modernization. He Zhukang said: The province is at a critical stage of reform, opening up, and modernization. This year is critical in raising the economy to a new level. We should firmly grasp the central task of economic construction, keep firmly in

mind that development is a consistent goal, seize opportunities to continuously accelerate development, promote reform and opening up through development, and use reform and opening up to promote the sustained economic development. CPPCC organizations should play an even greater role and make even greater contributions to invigorating Jilin in line with the province's fighting goals, and in the light of their respective characteristics and advantages.

The third opinion is to make political consultation and democratic supervision more systematic and regular and to raise the level of participation in and discussion of political affairs. He Zhukang pointed out: Practice shows that to make political consultation and democratic supervision more systematic and regular, we need the concerted efforts of party committees and governments, as well as of the CPPCC. Party committees should attach importance to and voluntarily give play to the role of CPPCC consultation and supervision. The CPPCC should also positively consult with party committees and governments and should actively support and bravely supervise the work of party committees and governments. In these two aspects, the attention of party committees is the key. Party committees should actually enhance the sense of democracy in party and government leaders at all levels, should extensively solicit opinions from the CPPCC members whenever they decide on a major principle or an important policy decision, and should earnestly listen to CPPCC member's criticisms and proposals in the course of implementing a principle and a policy decision.

With regard to the fourth opinion, He Zhukang emphasized: We should continue to strengthen and improve the party's leadership over CPPCC work. Perfecting the system of multiparty cooperation and political consultation under the leadership of the CPC and further attending to CPPCC work is the [words indistinct] to build socialism with Chinese characteristics. Under the new situation, party committees at all levels should enhance their understanding of the nature, position, and role of the CPPCC; should attach even more importance to CPPCC work; should strengthen and improve the leadership over CPPCC work; and should enthusiastically create conditions for enabling CPPCC members to participate in and discuss political affairs. [passage omitted]

Li Guotai delivered a report on the work of the Standing Committee of the Sixth Provincial CPPCC Committee. [passage omitted]

Northwest Region

Qinghai's Yin Kesheng Addresses Planning Meeting

HK0801111993 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 30 Dec 92

[Excerpt] The five-day provincial economic planning work meeting ended in Xining yesterday [30 December],

with Yin Kesheng, provincial party committee secretary, and Tian Chengping, deputy secretary and acting governor, addressing the meeting. Taking part at the meeting were: Cai Zhulin, Doba, (Kang Shichang), Lu Shengdao, Bainma Dandzin, Ma Yuanbiao, La Bingli, Wang Hanmin, and Wang Fuxiang, as well as the people in charge of various prefectures, localities, and cities, various provincial government departments, and some large and medium-sized enterprises.

This provincial economic planning work meeting is an important meeting convened by the provincial government to map out comprehensively the province's economic tasks for 1993 and to arrange specifically the national economic and social development plan following the 14th party congress and the 11th Session of the Seventh Provincial Party Committee. The spirit of the national planning conference, the national economic work conference, and the national conference on accelerating the development of tertiary industries were conveyed at the meeting. Participants in the meeting carried out earnest discussions about some major issues affecting the province's current economic undertakings, as well as the policies and measures related to reform, opening up, and the acceleration of development. They also held a seminar on the 15 special topics on economic work.

At the meeting, Comrade Yin Kesheng addressed some of the problems in our current economic undertakings which should be studied and resolved. Yin Kesheng said: The spirit of the 14th party congress and the principal idea behind the talks delivered by Comrade Deng Xiaoping during his southern tour may be put down into a single point: Accelerate the pace of reform and opening up and concentrate efforts on improving the economy. For our province, efforts to improve the economy and reverse the growing passive situation of stagnation and backwardness is the central task above all others. Following the economic improvement and rectification, the rate of economic growth in our province was vastly slower than that of the entire country. How to strive for a faster development rate on the basis of structural improvement and higher economic efficiency is the main subject confronting us. Looking at our province's economic structure and development basis, it can be said fundamentally that actual economic efficiency is impossible without a definite development rate. The main contradiction troubling us at the moment is the failure to accelerate the rate, despite the strong desire for a higher rate, as there is really no such problem as an overheated economy.

Speaking on the problems in agriculture, Yin Kesheng said: Agriculture and animal husbandry constitute the foundation of the province's national economy. Given the comprehensive resurgence of the national economy, agriculture and animal husbandry should absolutely not be ignored nor relaxed. Next year, on the basis of carrying on endeavors to develop both in breadth and in depth, as well as to fulfill all other regular undertakings, efforts should be made to bolster the readjustment of

industrial structure in work in the countryside and the pastoral areas. Readjust the internal structures of agriculture and animal husbandry as well as the economic structures in the agricultural and pastoral areas by revolving around the objectives of developing agriculture and animal husbandry of high yield, high quality, and high efficiency; eliminating poverty and promoting prosperity; and striving toward a life of modest comfort, so that our province's production in agriculture and animal husbandry will be raised to a new level.

In his speech, Comrade Yin Kesheng emphatically stressed the need to do a good job in the problems of existing enterprises. Yin Kesheng said: The rate of economic growth is, to a large degree, determined by the vitality of existing enterprises. In the last two years, the province's economy grew at a slow rate, mainly because the rate of industrial production did not rise. Giving full play to the roles of existing material foundation and tapping the potentials of existing enterprises is decisive to efforts to accelerate economic development. He continued: Invigorating existing enterprises should be treated and seized as a major undertaking in the economic work. The basic outlet in efforts to invigorate enterprises lies in deepening reform so that enterprises will become the main subject of the market economy and that the quality of enterprises will be comprehensively boosted.

The hope for economic growth in our provinces lies in the development of the resources. Speaking on this problem, Comrade Yin Kesheng demanded that all localities should pay attention to the resolution of four aspects of work, that is: Select projects assiduously, put into effect the development funds, take the task of processing resources seriously, and grasp firmly the work related to key areas and key projects so that the development of resources will bear results quickly.

Comrade Yin Kesheng also spoke on issues related to the development of tertiary industry, on emphasizing infrastructure construction, on raising of construction funds from various channels, and on other issues. [passage omitted]

Shaanxi Secretary Attends Power Industry Event

HK0701020093 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 29 Dec 92

[Text] A solemn meeting was held at Weihe power plant yesterday afternoon to celebrate the province's production of over 1 million kilowatts [kw] of electricity in 1992 from its installed capacity. Zhang Boqing, provincial party secretary, and other leaders of the provincial authorities, including Xu Sanlin, Liu Chunmao, Dong Jichang, and Zhou Yaguang, attended the celebratory meeting.

Since 1992, thanks to the efforts and struggles by the cadres and employees in the electricity front, as well as the policy taken by the provincial government of raising funds to build the power industry, the newly installed

electricity capacity of 1.08 million kw that was put into production for the entire year is equivalent to the sum of installed electricity capacity put into production in the 10 years spanning the Sixth Five-Year Plan period and the Seventh Five-Year Plan period. It also exceeds the province's highest record in completed installed electricity capacity and shows that the province's power industry has made a big stride toward high parameters, great capacity, and modernization in so far as its installed capacity is concerned.

On behalf of the provincial party committee and provincial government, Vice Governor Liu Chunman extended sincere gratitude and greetings to the workers responsible for operations related to design, manufacturing, construction, operation, regulation, and production in the power industry. He pointed out: At present, the power level used in our province still has a long way to go to match that of developed countries as well as that of neighboring provinces. Our province's power industry should undergo great development.

Liu Chunmao said: According to the demands of the strategic objectives as outlined by the provincial party committee and provincial government, the installed electricity capacity in our province should reach 10 million kw by the year 2000 so that our province can become one of the country's major forces in energy sources. He demanded that all parties in the province be concerned and support the development of the power industry. The cadres and employees in the power front should continue to develop their achievements and make persistent efforts to organize meticulously the work in ongoing projects, strive to shorten the work period, ensure high quality, and save on investments to make new contributions to the province's economic construction.

Shaanxi Governor Outlines Economic Tasks for 1993

HK0601135093 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 29 Dec 92

[Text] The provincial government convened a conference of all provincial government cadres at the Huanglou Conference Hall in (Xintou) yesterday morning. Vice Governor Liu Chunmao conveyed the spirit of the national planning and economic work conference, while Governor Bai Qingcai delivered an important speech.

In his speech, Governor Bai Qingcai pointed out: Since 1992, the provincial government has earnestly implemented the spirit of Comrade Deng Xiaoping's talks during his southern tour, as well as the spirit of the 14th party congress. Based on the plans and demands of the provincial party committee, great results were achieved in the entire province's economic work, building of the market, and other tasks.

Speaking on the provincial government's work arrangements for 1993, Governor Bai pointed out: Generally speaking, the economic undertaking for next year should be carried out in line with the plans spelled out at the

planning and economic work conference held recently by the State Council and the at provincial party committee's work conference. It is necessary to pay attention to grasp the following points satisfactorily: 1. It is necessary to study and implement satisfactorily the spirit of the 14th party congress. Cadres at all levels, especially the leading cadres, should earnestly study the documents of the 14th party congress, profoundly understand the spirit of the documents, change their concept and their thinking, and use the theory of Comrade Deng Xiaoping on building socialism with Chinese characteristics to unify thinking, understanding, and actions. Carry out the spirit of the 14th party congress in all undertakings. 2. It is necessary to continue to bolster the basic position of agriculture and strive for an overall bumper harvest in agriculture. This is the first and foremost task in economic undertakings. It is necessary to endeavor to improve the basic conditions for higher agricultural production, increase agricultural input, stabilize the acreage devoted to grains, boost grain production, and insist on taking the path of high yield, high quality, and high efficiency agriculture. All trades and sectors should foster firmly the ideology that agriculture forms the basis of the national economy and that grains constitute the foundation of this basis. Readjust the industrial structure, vigorously develop diverse forms of operations as well as township and town enterprises, and endeavor to

increase peasants' income. 3. It is necessary to explore the urban and rural markets and boost purchasing power. Effective measures should be taken to promote consumption in the cities and the countryside and to invigorate the market. 4. In carrying out fixed assets investment, it is necessary to ensure construction of key projects and infrastructure by concentrating efforts to bolster construction of energy, transportation, telecommunications, and irrigation facilities. Preparatory work may be initiated next year for the Xian-Ankang and Yanan-Yulin-Shenmu railways. Meanwhile, investments and construction related to the Lintong-Weinan-Tongguan superhighway and the 24-kilometer Xian transit highway will also be accelerated. 5. On the building of new and high technology development zones, it is necessary to offer correct guidance, to continue expanding reform, and to broaden opening. Opportunities should be seized to raise the economy to a new level and to accelerate development to open a path of development which boasts of fairly high speed as well as fairly good economic performance. 6. In line with the demands and plans of the central authorities, it is necessary to actively promote institutional reform. Proceed from the principle of organization streamlining, uniformity, and efficiency, and form an administrative management system marked by small organizations and big service.

French Foreign Ministry Confirms Mirage Sale*OW0801153793 Taipei CNA in English 1526 GMT 8 Jan 93*

[Text] Paris, Jan. 7 (CNA)—France's Foreign Ministry confirmed Thursday that Dassault Aviation had concluded a deal for the sale of 60 Mirage 2000-5 aircraft to the Republic of China [ROC] under the government's endorsement.

A ministry spokesman said in a short statement that the government had decided to authorize the sale of the latest generation of Mirage fighters to help revive the nation's aviation industry.

The first official confirmation by Paris on the military sale to the Republic of China was made a day after Peking's Embassy in Paris said it received a notice from the French Government on the US\$3.8 billion deal.

Paris was furious over a series of sanctions by Peking against France, including the closure of the French Consulate in Guangzhou and the exclusion of French firms from the construction of the Guangzhou subway.

French Government officials warned that Peking should bear full responsibility for the degradation of bilateral relations over the issue.

Premier Explains Purchases*OW1101093193 Taipei CNA in English 0820 GMT 11 Jan 93*

[Text] Taipei, Jan. 11 (CNA)—Chiao Tung Bank will organize syndicated loans for the government to purchase advanced fighter planes from the United States and France, a senior bank official said over the weekend.

As part of an effort to beef up the nation's Air Force, the government has decided to buy 150 US F-16 and 60 French Mirage 2000-5 jet fighters, which will call for an outlay of more than US\$12 billion.

The official, who preferred anonymity, said the state-run Chiao Tung Bank, established mainly to give financial support for major national development projects, is obliged to help finance the fighter deals.

As the deals require huge funds, the official said that his bank would join with other banks to organize syndicated loans for the deals.

In a recent Legislative Yuan budget screening meeting, Premier Hao Po-tsun said the government's decision to purchase F-16 and Mirage fighters was not aimed at instigating an arms race with Mainland China, but at strengthening its position in future talks with Communist Chinese authorities.

"It is necessary for us to maintain a military force until Peking renounces the use of force against us," the premier told the lawmakers in a closed-door legislative meeting.

Although many legislators expressed dissatisfaction with the government's failure to win a technical transfer agreement as part of the F-16 deal, they approved a motion Saturday [9 January] to begin reviewing a budget proposal for the deal this week.

Lawmakers said the Defense Ministry has already requested the first installment of a US\$6 billion appropriation to purchase 150 F-16s from the US. A separate deal to buy 60 French Mirage 2000-5 fighters is also in the works.

Foreign Minister Urges Improved Ties With Japan*OW0901111493 Taipei CNA in English 0812 GMT 9 Jan 93*

[Text] Taipei, Jan. 9 (CNA)—Japan should take positive steps to improve certain issues "in need of normalization" between Taipei and Tokyo, Foreign Minister Chien Fu said Friday [8 January].

Chien made the call while meeting with Tamisuke Watanuki, an influential Japanese Diet member who is currently on a three-day visit here.

Chien said relations between the Republic of China [ROC] and Japan have not been on a "normal track." Taiwan has long suffered a huge trade deficit with Japan and there have been limited high-level contacts between the two countries.

Chien expressed his earnest hope that Watanuki, a Japanese political heavyweight, would use his influence and push the Japanese Government to take the initiative to "enliven" Taipei-Tokyo ties.

In response, Watanuki said he originally planned to visit Taiwan late last year when he was still the secretary-general of Japan's Liberal Democratic Party.

"I had hoped at that time that my move would inspire ranking Japanese Government officials to follow suit," Watanuki noted.

He canceled his trip at the last minute because the Japanese Cabinet was about to undergo a major reshuffle.

"My determination to help boost Taipei-Tokyo ties remained undiminished, however, and I finally was able to come here," Watanuki said.

After returning home, Watanuki promised that he would urge Japanese authorities to send cabinet ministers to visit Taiwan.

Accompanied by his aides and ROC representative in Japan Hsu Shui-teh, Watanuki arrived in Taipei Thursday for a three-day visit.

Meanwhile, a CNA dispatch from Tokyo quoted Japan's SANKEI SHIMBUN as reporting that the Japanese

Government will send a 10- member mission to Taiwan in the first half of February.

It will be the first time that Japan has sent a government delegation to Taiwan since the two countries suspended diplomatic ties in 1972 when Tokyo recognized Peking.

The move signifies Japan's sincerity in upgrading exchanges with Taiwan and in addressing the huge trade imbalance between the two nations, the SANKEI SHIMBUN observed in its evening edition Friday.

The mission, to be composed of trade administrators and senior engineers, will be headed by a section chief with Japan's Ministry of International Trade and Industry, the paper said.

While here, the Japanese delegates will meet with Taiwan manufacturers, informing them of the latest developments in machinery and electronics technology in Japan.

Taiwan has relied heavily on Japan for supplies of machinery and electronics parts.

Japan has been reluctant to engage in high-level contacts with Taiwan for fear of offending Peking. A string of visits to Taiwan by senior American and European officials has prompted Japan to change its policy and attempt to strengthen exchanges with Taipei, observers said.

President Meets Japanese, Costa Rican Officials

OW0901161193 Taipei CNA in English 1532 GMT 9 Jan 93

[Text] Taipei, Jan. 9 (CNA)—President Li Teng-hui Saturday received Japanese Diet member Tamisuke Watanuki and former Costa Rican President Luis Monge Alvarez separately at his office.

In his meeting with Watanuki, former secretary general of Japan's ruling Liberal Democratic Party, and two other Japanese parliamentarians, President Li said he believes their visit will be helpful to improving Sino-Japanese relations.

In a meeting with Monge later, the president said that the ROC and Costa Rica have long maintained close and cordial relations, and economic, trade and cultural cooperation between the two countries are developing smoothly.

Monge invited President Li to visit Central America, saying all countries in that part of the world are strong supporters of the ROC.

Li promised to visit Costa Rica and other Central American nations at an appropriate time.

PRC To Repatriate Illegal Mainland Immigrants

OW1101103393 Taipei CNA in English 0831 GMT 11 Jan 93

[Text] Taipei, Jan. 11 (CNA)—Three-hundred-eighty-seven illegal Mainland Chinese immigrants were sent to the offshore island of Matsu Sunday [10 January] for repatriation, police authorities said.

Peking's Association for Relations Across the Taiwan Straits (ARATS) is expected to send boats to Matsu to transport back the Mainland stowaways before the eve of lunar New Year's day, which falls on Jan. 23, the police said.

The Mainland stowaways were very excited when they arrived in Matsu, only 9 kilometres away from the southeastern Mainland coasts, the police said.

"The Mainlanders were hopeful that they can return home before the lunar New Year," a policeman said.

The police officer was, however, not so optimistic. Peking authorities have been reluctant to take back Mainland stowaways, he noted.

There are still more than 1,000 illegal Mainland immigrants in Matsu waiting for repatriation, the officer reported.

"I'm not sure whether all these Mainlanders can be taken home before the lunar New Year," he added.

The ARATS, a quasi-official organization founded by Peking to handle cross-strait [words indistinct] currently has only two ships to transport back Mainland stowaways, the officer said. The two vessels, which can carry a total of 500 passengers a time, often develop engine troubles, he added.

Officials Reject PRC Air, Shipping Links

OW0801085493 Taipei CNA in English 0819 GMT 8 Jan 93

[Text] Taipei, Jan. 8 (CNA)—Mainland affairs officials Thursday [7 January] turned down a "point-to-point" transportation link proposal which calls for direct flights and shipping service between designated airports and harbors on the mainland and Taiwan.

Chen Wu-cheng, director of the Transportation Research Center under National Chiao Tung University, Thursday came up with his report on the possible influence of direct Taiwan-Mainland transportation links to the Cabinet-level Mainland Affairs Council (MAC).

Chen argued that the possible negative impact on Taiwan arising from the links could be effectively reduced were his proposal adopted.

Transportation between the two sides is currently maintained on an indirect basis in keeping with the Republic

of China Government's "no contact" policy toward the Chinese communist-controlled mainland.

Chen's proposal, however, is seen as unfeasible purely from a business point of view.

There are a total of 34 international ports on the mainland, though few of them have a significantly large volume, indicated an official with the MAC Economic Research Department, the body responsible for the planning of direct transportation ties across the strait.

The noted Dalian Harbor in northern China, for instance, handles between 70,000 and 80,000 containers per year. Xiamen Harbor in the south processes roughly 40,000 units a year. Their combined volume could support the operation of Taiwan's shipping companies for at most two months, the official said.

He noted, however, that the situation would not be the same the other around. Containers in and out of Taiwan are handled almost exclusively in Taiwan's four major harbors, which would give Mainland vessels ready access to market island-wide.

Russian Academician Praises Taipei Experience

OW0801083493 Taipei CNA in English 0802 GMT 8 Jan 93

[Text] Taipei, Jan. 8 (CNA)—Russian academician Stanislav Shatalin said Thursday [7 January] that Taiwan's experience can help Russia develop its consumer industries.

Shatalin, vice president of the International Foundation for Cooperation in Asia-Pacific Countries of the Russian Federation (IFCAPC), called on Premier Hao Po-tsun and Foreign Minister Fredrick F. Chien Thursday.

An economic advisor to former Soviet Union President Mikhail Gorbachev and now the president of the Perestroika Foundation, Shatalin is actively promoting economic cooperation between Russia and countries in the Asian and Pacific region.

He told minister Chien that with its development experience and abundant capital, Taiwan can help Russia transform its national defense industry into consumer industries.

Premier Hao told the Russian visitor that the Republic of China can offer Russia its particular experience in land reform and the development of small and medium sized industries, two major challenges the premier noted as currently facing the nation.

Shatalin and IFCAPC Executive Director Viktor Ovitchevskiy and programs director Iouri Stoupak arrived in Taipei on Jan. 6 for a six-day visit.

They visited the China External Trade Development Council (CETRA) Thursday afternoon.

Friday morning, Shatalin gave a speech on Russian economic reform at the Board of Foreign Trade. He has been invited to speak on social and economic changes in Russia at the Chunghwa Economic Institute in Taipei in the afternoon.

Urges Free Market for Russia

OW0901111293 Taipei CNA in English 0803 GMT 9 Jan 93

[Text] Taipei, Jan. 9 (CNA)—Russian academician Stanislav Shatalin said Friday [8 January] that Russia should send specialists to Taiwan to learn its experience in transforming the economy.

Shatalin, president of the Perestroika Foundation and vice president of the International Foundation for Cooperation in Asia-Pacific Countries (IFCAPC), was invited to speak on economic reform and trade opportunities in Russia at the Chunghwa Economic Institute in Taipei Friday afternoon.

He said that the economic reform of the former Soviet Union failed because its centrally-planned administration had made insufficient progress in reorienting a free market.

Taiwan can pride itself on its successful experiences in land reform and the development of small and medium industries in addition to the exploration of external trade relations, the academician said, adding that Russia can learn from Taiwan in these areas.

Speaking on the difficulties facing Russia to participate in the international free market economic system, Shatalin pointed out that converting the many state enterprises into privately and economically run businesses remains a big challenge to his nation.

Another major barrier to economic reform is the mentality of most of the agricultural population who fail to understand the necessity of reform. Russia is abundant in resources, but the basic infrastructure is insufficient to explore them, according to Shatalin.

Shatalin, who is concurrently chairman of the Institute of Economics of the Russian Academy of Sciences, said that the Russian Government is trying to liberalize its economy and foreign investors are most welcome to invest in Russian industries, consumer industries in particular.

British Parliamentarian Arrives 7 Jan

OW0801082293 Taipei CNA in English 0757 GMT 8 Jan 93

[Text] Taipei, Jan. 8 (CNA)—Former British Liberal Party leader Sir David Steel and his assistant Dr. Atul Vadher arrived in Taipei Thursday [7 January] evening for a five-day visit.

Sir Steel is currently the Liberal Democrats' [as received] foreign affairs spokesman in the House of Commons. He was elected president of the Liberal International on Jan. 1.

During his visit here, Sir Steel will call on Vice Foreign Minister Fang Chin-yen and Hsu Li-teh, vice secretary-general of the Kuomintang [KMT].

KMT Vice Secretary-General Hsu will exchange views with Sir Steel on how to promote relations between their respective parties.

Since 1986, the Kuomintang has sent an observer delegation to attend the annual conference of the Liberal International. The Liberal International has now 33 members, mostly the third or minor parties in Europe and the Americas. However, some members such as the Free Democratic Party of Germany, are coalition partners of major parties which alone have failed to gain an absolute majority in the parliaments.

Before coming to Taipei, Sir Steel visited Hong Kong on Jan. 5-7. He held talks with Hong Kong Governor Chris Patten and other officials.

Before his departure from Hong Kong to Taipei, Sir Steel said that he was greatly impressed by the resilience and confidence of Hong Kong during this difficult period of transition. "In parliament as an opposition party we shall continue to give broad support to the governor's policies," he said.

Foreign Minister on Relations With Israel, Libya

OW0801064793 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 28 Dec 92

[Report by (Chuang Wei-hsin); from the "Hookup" program]

[Text] Minister of Foreign Affairs Chien Fu pointed out that the establishment of an office by our country in Israel would be completed in two to three months. Minister Chien Fu also said that owing to the international attitude toward Libya, our country would only maintain appropriate relations with Tripoli and would not seek close contacts. The following is a report by (Chuang Wei-hsin):

Foreign Affairs Minister Chien Fu gave a report to the Overseas Chinese Affairs Committee of the Legislative Yuan saying that an agreement having been reached between Israel and our country on establishing representative offices, our country's first representative to Israel recently left for Israel to prepare for the establishment of a representative office there. The office could be established formally in two to three months. Chien Fu said:

[Begin Chien recording] One of our colleagues, who will be sent to Israel to work there, went to Israel early this month to learn about the working and living conditions there and to make the necessary preparations. I think it likely that after two or three months we can establish a representative office in Israel. [end recording]

According to information from the Ministry of Foreign Affairs, our country's current deputy representative to Japan (Chung Cheng-wen) may be appointed as our country's first representative to Israel. Regarding Libya as part of the Islamic world, Chien also said that our country now has a mission in Libya, but most Overseas Chinese residents in Libya have gone to other countries or have returned to home. Those Chinese residents who still remain in Libya have given great support to our government; this is also an important reason for the (?successful operation) of the Republic of China's mission in Libya. However, Chien Fu also pointed out that our country's diplomatic work in Libya is not very active, mainly because the al-Qadhafi administration cannot gain the forgiveness of the international community. If our country's relationship with Libya is too close, we may be criticized. Therefore, our country plans to maintain an appropriate but not intimate relationship with Libya.

Chien To Meet RSA Ruling, Opposition Leaders

OW0901085893 Taipei Voice of Free China in English 0200 GMT 9 Jan 93

[From the "News" program]

[Text] Foreign Affairs Minister Frederick Chien on Friday [8 January] left on a trip to South Africa, where he will convene a meeting of ROC [Republic of China] representatives stationed in throughout African nations.

During his trip, Chien will also meet with South African President F.W. de Klerk. He will also hold meetings with the leader of the African National Congress Nelson Mandela, as well as the chairman of the Inkatha Freedom Party.

Foreign Ministry officials stated on Friday that this will be the first time an ROC ministerial head will meet with Mandela. The officials noted that the ROC hopes that the talks will increase understanding and friendship between the African black group and the ROC, and further cement ties between the two nations in the run-up to 1994, when blacks will assume a large part of political power in South Africa.

Meanwhile, this year's meeting of ROC representatives in Africa will take place in Pretoria on 10 and 11 January. Ambassadors and representatives of the ROC to African nations will attend.

Solomon Islands Leader Thanks Taipei for Support

OW0801085593 Taipei CNA in English 0822 GMT 8 Jan 93

[Text] Taipei, Jan. 8 (CNA)—Solomon Islands Prime Minister Sunaone Mamaloni Thursday [7 January] expressed his appreciation to the Republic of China for its support to his country, in particular for its agricultural assistance.

Prime Minister Mamaloni called on President Li Teng-hui and Premier Hao Po-tsun Thursday.

Both President Li and Premier Hao stressed the ever closer relations between the two countries since the establishment of formal ties in 1983.

Mamaloni told Premier Hao that a hospital under construction in his country with support from the ROC will be inaugurated this coming September. It will greatly help improve medical service in the Solomon Islands.

Mamaloni arrived in Taipei on Jan. 3 for a weeklong visit.

Hong Kong

PRC, UK Hold 'Secret Talks' on Hong Kong

HK1101034693 Hong Kong LIEN HO PAO in Chinese
8 Jan 93 p 1

[Report by Wang Man-na (3769 2581 1226) from Hong Kong: "Secret Talks Between Chinese and British Representatives in Beijing on Disputes Over the Political Reform Package"]

[Text] Although the new year has witnessed no sign of reconciliation in Sino-British disputes, a source from the State Council's Hong Kong and Macao Office disclosed that the two sides have held secret talks in Beijing.

In response to a reporter's question in Beijing yesterday, Mainland Foreign Ministry spokesman Wu Jianmin did not deny the report on secret talks.

As the Sino-British dispute over Hong Kong's political system has attracted international concern and harmed the interests of the parties concerned in Hong Kong, the source pointed out, representatives from the two sides have adopted the means of holding secret talks in Beijing for the sake of Sino-British ties and Hong Kong's economic interests.

As the Chinese side in the past did not completely understand why the Hong Kong Government intended to build the new airport at such a high cost, the source disclosed, it refused to make any concessions on financial arrangements for the airport, believing that the huge spending would cause economic difficulties for the Special Administration Region [SAR] Government in the future. The Chinese side began to realize after the constitutional reform package proposed by the Hong Kong governor that the most important factor affecting Hong Kong's stability and prosperity and China's interests beyond 1997 is not merely the financial problem and inflation caused by the airport, but mainly the constitutional reform package.

The source pointed out: The Chinese side believes that the constitutional reform will divide Hong Kong people and sow seeds for the British sphere of influence in the Hong Kong SAR after 1997. For this reason, the Chinese side has done its utmost to oppose the constitutional package and reject the airport plan. This is one of the chips against the constitutional package.

After Hong Kong's economy began being affected, harming the interests of both China and Britain in Hong Kong, a representative of British Prime Minister John Major held secret talks in Beijing recently on the Hong Kong issue, explaining to the Chinese side the considerable value of the land at Hong Kong's current Kai Tak airport. If that piece of land were sold to a developer, it would bring a large income to the SAR Government in the future, which could partly resolve the problem of callable equity that may occur in the building of the airport. After listening to the account given by the

British side, it was said that the Chinese side was willing to partly revise its position on financing the new airport. With the airport as a chip, however, the Chinese side will continue to ask its British counterpart to adopt certain means to drop Patten's constitutional package in exchange for concessions on the airport issue.

Spokesman Denies Report

HK0901042593 Beijing ZHONGGUO XINWEN SHE
in Chinese 1140 GMT 8 Jan 93

[Text] Beijing, 8 Jan (ZHONGGUO XINWEN SHE)—A spokesman for the State Council's Hong Kong and Macao Affairs Office said that an 8 January report by Hong Kong LIEN HO PAO on "Secret Talks Between Chinese and British Representatives in Beijing on Disputes Over the Constitutional Reform Package" was a mere fabrication of the newspaper.

The spokesman reiterated that Chris Patten's constitutional package violates the spirit of the Sino-British Joint Declaration, the principle of converging with Hong Kong's Basic Law, and the understanding and agreements reached by China and Britain on Hong Kong's political system. It is therefore absolutely unacceptable to China.

The spokesman said if talks should be held, they should be held on the basis of the Basic Law and after Chris Patten withdraws his constitutional package and returns to the track of converging with the Basic Law.

Lu Ping Comments on Hong Kong Transition

HK1001064093 Hong Kong WEN WEI PO in Chinese
10 Jan 93 p 1

[Report by staff reporter Chen Chien-ping (7115 1696 1627): "Lu Ping and Chen Ziyang Tell Reporters That Hong Kong's Predicament Will Be Readily Solved as Soon as Chris Patten Withdraws His Constitutional Package"]

[Text] Beijing, 9 Jan (WEN WEI PO)—Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, said here today that the predicament facing Hong Kong will be readily solved as soon as Mr. Chris Patten withdraws his constitutional package. He noted that the solution to the problem depends on Mr. Chris Patten. Meanwhile, Chen Ziyang, the office's deputy director, pointed out: Now that events have reached this point, Mr. Chris Patten should not repeat his mistakes.

Lu Ping and Chen Ziyang made the above statements this afternoon when reporters asked them when the predicaments in Hong Kong would end. They were attending on invitation a New Year's tea party held by the All China Journalists' Association. This reporter asked Lu Ping what action the Chinese side would take if Chris Patten forced his constitutional reform package through at the Legislative Council [Legco]. Lu Ping said: The Legislative Council still has not passed the package. If Mr. Chris Patten insists on his way, acts in disregard of others'

opinions, and forces his package through, it would indicate that he is going to work against us to the very end. Should this happen, we will have no choice but to follow suit. But this we really do not want to see.

When asked whether the Chinese side will accept the situation if the Hong Kong Legco passes a program that converges with the Basic Law, Lu Ping said that one cannot assume what kind of program the Hong Kong Legco will adopt. He added: We are considering how the Hong Kong Legco that will be formed in 1995 can, as a whole, converge with the Basic Law, and we still hope that the "through-train" program can work so that the Legco formed before 1997 will be able to move beyond 1997 and become the first Legco of the Hong Kong Special Economic Region. In referring to a view in Hong Kong that in the future some Legco members will be allowed to take the through train while the others will not, Lu Ping smiled and answered: If only half the passengers in a train compartment are allowed to pass, that does not make a through train; a through train means all the passengers will be allowed to pass.

Lu Ping said: At the moment, Sino-British relations regarding the Hong Kong issue are at a low ebb, and the atmosphere, on the whole, is bad. This is mainly because Mr. Chris Patten adopted an uncooperative attitude after he assumed office in Hong Kong, refusing to work with the Chinese side for convergence with the Basic Law. The current feelings of the Hong Kong people are understandable. The Hong Kong people all wish to achieve stable transition and convergence with the Basic Law, and they hope that the Chinese and British sides will cooperate with one another. This is a common wish. Lu Ping said he believed the present predicament is a temporary phenomenon. In the long run, Hong Kong can retain prosperity and stability. That is the very task of the Hong Kong and Macao Affairs Office, and it is believed that this can be achieved. From a long-term point of view, the current situation can be gradually improved. Lu Ping said that, given the present atmosphere, official dealings will be affected, while nongovernment channels, economic relations, and trade will not. When asked about what questions will be discussed when the Chinese foreign minister and the British foreign secretary meet, Lu Ping said the agenda of the meeting will be arranged through diplomatic channels. A reporter asked Lu Ping to comment on the British side's remark that the Hong Kong issue will be discussed during that meeting, and Lu said the two sides may not take up the Hong Kong issue at all but may confine the discussion to bilateral relations and other issues, and that this sort of issue is to be discussed through diplomatic channels.

Negotiations 'Still Open'

HK1001023593 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 10 Jan 93 pp 1, 2

[Report from Geoffrey Crothall in Beijing]

[Text] The Director of China's Hong Kong and Macao Affairs Office, Mr Lu Ping, extended an olive branch to Hong Kong yesterday, saying Beijing was still open to negotiations on the territory's political future. But he also told foreign correspondents at a tea reception he would no longer visit Hong Kong unless the Sino-British row over political reforms in the territory was resolved.

Mr Lu said he was confident, however, that the scheduled meeting between British Foreign Secretary Mr Douglas Hurd and his Chinese counterpart, Mr Qian Qichen, to discuss Hong Kong, could take place as soon as the British Government proposed a suitable date. Asked if the meeting would be dependent on the British Government's actions or behaviour—as senior Chinese officials, including Mr Lu himself, had suggested—he told the SUNDAY MORNING POST: "No, it's a regular meeting...It is not just about Hong Kong. They can discuss a wide range of topics."

According to the Memorandum of Understanding on Hong Kong's new airport, the two foreign ministers should meet twice a year. The last meeting was in September in New York, with the previous one being held in March 1992 in London. Mr Lu said the next session should therefore be in Beijing in two months' time. "However, for the time being it is not yet definite. We are waiting for the British Government to suggest a date, whether or not they agree to come to Beijing, whether in March or April," he said.

But Mr Lu stressed China was still not willing to accept the Governor Mr Chris Patten's political reform proposals. Should the Legislative Council approve Mr Patten's blueprint in its current form, Mr Lu said China would have to amend those reforms in 1997. "There will be no convergence, that's the problem. So we will have to do it all over again in 1997," he said. "We hope it won't happen. We are still confident of getting a through train and of getting convergence."

Speaking at reception in Beijing organised by the All China Journalists Association, Mr Lu was far more conciliatory than a week ago when he warned that Hong Kong would suffer "a lot of hardship" if Mr Patten's reforms went ahead. "The only real problem concerns the composition of the first legislature (of the Special Administrative Region [SAR])." he said.

"According to the Basic Law, we have stipulations about how the first legislature should be composed.

"So if there is no convergence by 1997, we will have to organise the first legislature according to the Basic Law, that's all."

On a related matter, Mr Lu said it was unlikely any contracts awarded by the current Hong Kong Government beyond 1997 would be revoked by the SAR administration. "I don't think any contracts will be really cancelled. The contracts will just have to be acknowledged by the Chinese side," he said.

Editorial on Patten's 'Lack of Good Faith'

HK0901062693 Hong Kong TA KUNG PAO in Chinese
9 Jan 93 p 3

[Editorial: "The Chinese Government Is Keenly Concerned With Hong Kong"]

[Text] Jiang Zemin, CPC general secretary, and Li Peng, State Council premier, met separately with the Hong Kong Chinese Chamber of Commerce delegation led by Hou Ying-tung yesterday where they reiterated the position on the Hong Kong issue and expressed confidence in a smooth transition for Hong Kong, as well as in its prosperity and stability.

It has been barely eight days since the New Year, but the highest leaders of China have already talked about the Hong Kong issue thrice on some important occasions. They repeatedly raised the following points: 1) The Chinese Government has consistently advocated the realization of a smooth transition in Hong Kong, as well as the preservation of its long-term prosperity and stability; 2) China will, as always, act according to the principles and regulations outlined in the Sino-British Joint Declaration, the Hong Kong Basic Law, and other relevant agreements; and 3) the state of confrontation fabricated deliberately by the Hong Kong British authorities is something that we and all patriotic compatriots do not want to see, and it is hoped that the Hong Kong British Government will return to the position of the Joint Declaration and Basic Law.

From these talks, one can see clearly the consistent position and clear-cut attitude of the Chinese Government on the Hong Kong questions, as well as the concern and care that it has for the Hong Kong compatriots.

The return of Hong Kong to the motherland is set, as "one country, two systems," "Hong Kong rule by Hong Kong people," and "a high degree of autonomy" will become a reality in another four years, while the history of China's humiliation will come to a complete end. This is a transformation of fundamental and historic significance. While the remainder of the transition period in Hong Kong before 1997 is quite short, it is nevertheless of utmost importance. The development of Hong Kong's economy, politics, and society during this time is connected to its ability to maintain prosperity and stability, as well as its realization of a smooth transition. To this end, the Chinese Government has exerted tremendous efforts over the years by carrying out consultation and cooperation with the British Government, signing the Sino-British Joint Declaration, and reaching an agreement on convergence with the Basic Law, and, at the same time, formulating the Basic Law for the Hong Kong Special Administrative Region following more than four years of joint efforts between the Hong Kong and mainland compatriots. These are the results of friendly cooperation, the crystallization of wisdom and hard work, and they did not come easily! Acting according to the principles and regulations of these documents will ensure a smooth transition in Hong Kong, as well as its

long-term stability and prosperity. It should be said that these documents illustrated the future and fate of Hong Kong, and reflected the fundamental interests of the people of Hong Kong. Therefore, people should safeguard them and not ignore, or, much less, breach them.

Whether it be the handling of interstate relations, inter-regional relations, or interpersonal relations, good faith is more important than anything else. A responsible government is also one which acts in good faith. The Chinese mean what they say, and the Chinese Government "acts in good faith, honors its commitments, and demonstrates its credibility to the world." On the present situation and the future of Hong Kong, it will adopt a responsible attitude; on the principles and regulations of the Sino-British Joint Declaration, Hong Kong Basic Law, and other relevant agreements, it will carry them out to the letter. For instance, the principle of preserving Hong Kong's existing capitalist system and lifestyle for 50 years; the principle of implementing "one country, two systems," "Hong Kong rule by Hong Kong people," and "a high degree of autonomy"; the principle of convergence of the political structural developments in Hong Kong in the latter part of the transition period with the Basic Law; the principle of an orderly, step-by-step, and gradual development of a democratic system suitable to Hong Kong's situation; the principle of consultation and cooperation between the Chinese and British Governments in order to ensure a smooth turnover of power, and others will all be observed by the Chinese Government. The basic policy of the Chinese Government toward Hong Kong, as well as the political stability and economic growth of the motherland, form the important source of confidence for the Hong Kong people and also constitute an important guarantee for the realization of a smooth transition in Hong Kong, as well as the preservation of its long-term stability and prosperity.

The problem is that the Hong Kong British authorities do not act in good faith, nor do they abide by the rules. They can turn yes into no, refuse to honor their words, and indiscriminately tear up agreements which have already been concluded. These are manifested in that so-called political reform proposal. Here lies the root cause of the state of confrontation in Hong Kong in recent months. Unless Patten's proposal is withdrawn, the state of confrontation will not change and will always pose a barrier to a smooth transition in Hong Kong. Not a few knowledgeable sources in Hong Kong have repeatedly urged Patten to change his stance and withdraw his proposal. This is very reasonable, as it is the only way to reverse the current stalemate in Hong Kong.

What is Patten's attitude? In recent meetings with political organizations and personalities, he has indicated that he would not withdraw his "three violations" proposal, and that he would submit it unchanged for examination by the Executive Council and subsequent approval by the Legislative Council. In view of this situation, one can only do as many people did out of consideration of the overall interest and concern for

Hong Kong's future, that is, express opposition to Patten's proposal and his action, and not search for or expect others to search for a point of equilibrium or reconciliation, nor propose a compromise formula. Facts have shown clearly that whether it be an argument over election details or over major principles, the current argument over the political system boils down to the following: One side acts in good faith, but not the other side; one side wants to observe the rules, while the other side wants to destroy the rules. There is no room for compromise on such matters of principle. If certain features in Patten's proposal were affirmed, even if it were just one or two points, then this would be a tolerance and an affirmation of his lack of good faith, as well as his failure to observe the rules. If you tolerate his lack of good faith and failure to observe the rules in this area, then he will be able to do as he pleases and will

commit all kinds of outrages in other and even broader areas. The results will certainly be chaos in Hong Kong and it will still be the people of Hong Kong who will pay the price. On the administration of Hong Kong, it can only be administration carried out in line with the principles and regulations of the "basic documents." Only then will there be an efficient administration which is beneficial to the people of Hong Kong. We absolutely cannot allow Patten to enjoy the so-called administrative authority which does not follow the rules and is dictatorial.

As long as Patten is willing to abandon the political reform proposal, the Chinese Government is still willing to carry out consultation and cooperation with the British side. This is the attitude of the Chinese side and the aspiration of the Hong Kong people.

END OF

FICHE

DATE FILMED

14 Jan. 1993

